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JULY 1958



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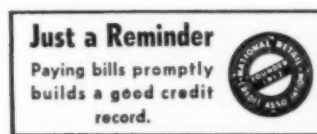
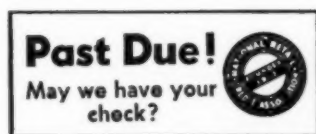
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NATIONAL RETAIL CREDIT ASSOCIATION

375 JACKSON AVENUE

ST. LOUIS 5, MO.

CREDIT WORLD July 1958 1

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pay promptly



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NATIONAL RETAIL CREDIT ASSOCIATION

375 JACKSON AVENUE

ST. LOUIS 5, MO.

The CREDIT WORLD

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EDITOR Arthur H. Hert

ASSOCIATE EDITOR Leonard Berry

Editorial and Executive Offices: 375 Jackson Ave., St. Louis 5, Missouri.
Advertising Representative: Ralph Duysters, 70 E. 45th St., New York 17.
Washington Counsel: John F. Claggett, 301 East Capitol St., Washington 3, D. C.

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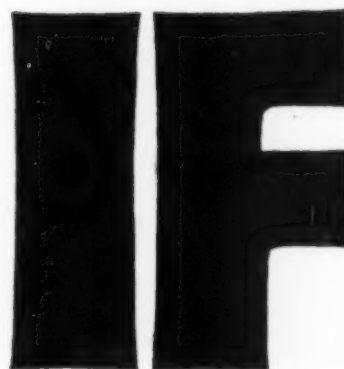
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Schenectady's First 300 Years

LEWIS B. SEBRING, JR.

Associate City Historian, Schenectady, New York

THE HISTORY of Schenectady, New York, like that of so many other early communities located on navigable waterways, had its beginnings in trade and commerce. An outpost of the civilization of the period, just short of three centuries ago, it had all the advantages of a frontier trading post, and apparently from the very first, trade with the Indians to the westward was brisk and flourishing. The little community probably even had its credit men, though history, with its broader strokes, does not record that detail.

The actual "founding" of Schenectady is generally assigned to the year 1661. In June of that year Arent van Corlaer, a Dutch trader, administrator, farmer, and man of many other facets, from Fort Orange (now Albany, the capital of New York State, 15 miles eastward from Schenectady), applied to Pieter Stuyvesant, governor of the Dutch colony of New Netherland, for permission to purchase, from the Mohawk Indians, centuries-old possessors of the area, the land on which Schenectady now stands.

Joining with Van Curler in this application were 14 other residents of Fort Orange, bearers of such good old seventeenth century Dutch names as Brouwer, Veeder, Van Slyck, Van Isselsteyn, Bratt, and Wemple. It is interesting to note in passing that in the 1957-1958 Schenectady telephone directory ten of these and the names of the 15 early proprietors are listed in original form or in some variation, a truly remarkable example of the persistence of old strains to the present time.

Van Curler remains, however, only as the name of a hotel and a few businesses.

The permission applied for by Van Curler and his associates was granted, and in July of 1661 the land was purchased. The Indians who made the sale called the area "Schan-hech-ta-de" — "beyond the pine plains" — because it lay beyond a stretch of scrub pine (still visible despite housing developments, used car lots, and other miscellany of the twentieth century) between the

Hudson River, on which Fort Orange, now Albany, was located, and the Mohawk River, on the banks of which Schenectady was to arise.

Having thus established the "founding," we had now best establish why this particular spot was selected for the little settlement, for in this really lies the key to the whole story of Schenectady's history.

In the mid-seventeenth century, that is, from, say, the 1640's to the 1660's, the colony of New Netherland was the "big wheel" along the Atlantic seaboard, and the city of Nieuw Amsterdam, which later became and still is New York, was the "wheel" in New Netherland. To say this is not to disparage, of course, the thriving colony which the Pilgrims had founded in New England, and other settlements which were operating along the seaboard, but the fact remains that the Dutch did have a central and controlling spot in their settlement located at the mouth of the Hudson River.

More Northward

With true Dutch foresight, tenacity, and not the least, an eye to hard business, they rapidly took advantage of control over the Hudson River and moved northward to the site of the present capital of New York State, Albany, where as previously mentioned they installed the fort and trading outpost named Orange, in honor of the ruling House of the Netherlands.

From Fort Orange Dutch traders moved out northward and westward into Indian territory for the rich rewards of furs and other trading items which they knew were there. Northward was not so good, for the Hudson River, as a navigable stream, soon petered out and left only acres of wilderness to contend with. But westward, ah, there was the chance—a navigable stream, the Mohawk River, for miles and miles, right through the heart of settled Indian country, the home of the famous Five, later the Six, Nations of the Iroquois Confederacy. West-

ward from that there must be untold riches; there were strange stories of a great falls somewhere out there, and great rivers—how the ears of the eager Dutch traders must have quivered at some of the things they heard.

The Mohawk River, where it flowed into the Hudson a few miles above Fort Orange, was not navigable, because of large falls and rapids (now known locally as the Cohoes Falls), but, from Schan-hech-ta-de westward all the traders had to do was to put canoes into the stream and start out. The fifteen miles between Fort Orange and the Indian land on the Mohawk was over a plateau, easy going for horse and foot. Established Indian trails charted the overland course between the two points. So it was, in the mid-seventeenth century, that the site of the present Schenectady was a natural for frontier trading purposes.

And so it has remained through the succeeding three centuries, even though the "frontier" has moved a few miles westward to the Pacific Coast. The valley of the Mohawk River, one of the few natural breaks in the Appalachian chain of mountains down the eastern seaboard, later furnished a natural site for highways, from mud roads through great expressways; then the Mohawk River, in part, and some of the land beside it, furnished a natural route for first one canal, and then another—the present New York State Barge Canal; later it was the natural route for one of the first westward railroads in the country, the present New York Central System.

But as usual with the enthusiastic writer, we are getting ahead of our story. Let's go back to that little settlement of fifteen proprietors on the banks of the Mohawk River in 1661.

A town was duly laid out, comprising four city blocks, a roughly square area bounded by outside streets, and with two streets in the center at right angles to each other. It is interesting again to note, as

with the names of early settlers which have come down to the present, that all of these original streets still remain, three of them with their original names—Front, Ferry and Church.

And too, this four square block area is now known as Old Schenectady, and much of the atmosphere and flavor of the early days, and even some of the quite early houses (not those of the seventeenth century, but some of the early eighteenth) still remain. The area is a favorite with historically-minded twentieth century residents and visitors and even for those who just want peace and quiet without the history.

For almost 30 years after the founding, Schenectady progressed as a frontier trading center, though largely as a jumping-off place for the West, and not contributing a great deal from within itself. The old Dutch burghers disliked change, and little change there was. Because of its exposed position, however, the settlement undertook the erection of a large stockade around its boundaries, and thus became an early type of American walled city. Outside the stockade were a few grist mills and other business activities of the day, but trading with the Indians continued to be the principal thing.

But trouble was in store for the little settlement, from a source for which these Dutch, minding their own business, were in no wise responsible. England and France began looking daggers at each other for control of the New World, and by 1688-89 and thereabouts it had come to the point where French forays were coming out of Canada to grab what they could.

England, it should be mentioned, had already taken over New Netherland from the Dutch, and so Schenectady—and Fort Orange (now renamed Albany for the Duke of Albany in England)—while still Dutch at heart, were under English control.

Importance of Albany

Albany, while not yet the state capital, was a town of considerable size, important because it was on the Hudson River, and so in the eyes of the Canadian French it became a potential prize of some worth. In the winter of 1689-90 a sizeable force of French and Indians was formed at Montreal to come down and attack it, but after reconnaissance it was decided that the town was too strong for attack, and

so, the raid was diverted to the nearby settlement of Schenectady.

The blow was struck on the early morning of February 8, 1690. The stockade was entered without the slightest trouble, for the inhabitants had become so self-confident that they forgot to post guards, and the raiding party ruthlessly went about its work. When the fighting finished the next morning—a massacre, rather than fighting, for there was little resistance—60 of the town's inhabitants were dead, 27 were captive, and all but three buildings in the town were burned to the ground. The few residents who escaped were able to give the alarm, but it was some time, of course, before help arrived from Albany and nearer communities. Then it was all over, and the raiders had left.

Trade With the Indians

Despite obvious discouragement, the surviving settlers went about rebuilding their town, and from then on its prosperity became assured. Trade with the Indians grew, agriculture flourished around the town, and there were a "golden period" of relative peace and contentment for many years. Indians canoes furnished the means of bulk transportation to the West, although more and more trails and rough roads were established. Business apparently was good and brought in adequate returns, for some of the homes constructed then by merchants still stand today. Dates on markers on some of these houses are 1700, 1720, 1725, and 1735.

Then, along about the 1740's, canoes were replaced by larger river boats and transportation to and from the West (the "West" still meaning, as it had before, only that part of present New York State westward from Schenectady; anything beyond that was unknown) multiplied manifold. The French and Indian Wars of mid-century came and went, and brought further activity and prosperity to Schenectady, as a forward base for military operations and supplies. Schenectady traders and their boats even began to penetrate, by river, portage and lakes, to the Great Lakes, and the boom was on.

It took the War of the Revolution, however (as unfortunately has been the case with many other wars, and with many other towns), to bring the town to full flower, to create a boom from which it never really has receded. It was in a most strategic position as a supply base, and large bodies of American troops passed

through it on their way to and from various engagements in the surrounding area; all around were names which became famous in American history—Saratoga, Fort Stanwix, Oriskany, Fort Ticonderoga.

Indian Massacres

No engagements were fought at Schenectady, but still it was in the thick of the war, and it prospered accordingly, and worried too, for many Indian massacres occurred within too short a distance away, and the barracks and military hospitals of the town were filled to capacity. Toward the end of the war George Washington passed through the town at least twice, and each time commended the inhabitants for the part they had played in the conflict. Even now, there is at least one building which could say: "George Washington slept here." It is true.

With the end of the Revolution, Schenectady began to lose some of its old sleepy Dutch characteristics, which had gained for it the name of *Dorp*, the Dutch word for village, and which is still to be heard from time to time from some of the old residents. In 1785 a Schenectady Academy was started by the forward-looking pastor of the Dutch Church, the Rev. Dr. Dirck Romeyn, and ten years later it had grown into Union College, one of the leading American educational institutions of the period, vying with Columbia, Harvard and Yale, and still a power to be reckoned with in American higher education.

The old bateaux which had been used for many years on the Mohawk River were replaced by larger craft, with the opening of river locks at Little Falls, to the westward, so that craft would not have to be portaged around the falls there, and Schenectady's river front began to take on the aspect of an inland port of first magnitude. Great migrations of families from the New England States began to the westward, and all travelers passed through Schenectady, for it was becoming truly the Gateway to the West, or the Great Western Gateway, as it is now called—the name being perpetuated in the highway bridge which crosses the Mohawk River at this point.

Western Movement

And thus the nineteenth century began for Schenectady, and so it has continued—first western movement, then establishment of great transportation systems, then establishment of great local industries, first

the Schenectady Locomotive Works which later became the American Locomotive Company, and then the Edison Machine Works which developed into the present General Electric Company.

The first of the great transportation systems which came to Schenectady, though only as one of the ports of call along its route, was the Erie Canal, opened in 1825. The business which it brought to the city helped to overcome damage done by a disastrous fire six years before, and it was a logical sequel to the earlier river packet boat traffic.

The Erie Canal

As wonderful as the opening of the Erie Canal had been, in the eyes of those living then, an even more wonderful, and a truly significant event, occurred six more years later, in 1831, when the Mohawk and Hudson Railroad was opened, with Schenectady as its western terminus, and Albany as its eastern. Only 15 short miles, but what this first practical passenger-carrying railroad in the whole of America has meant, not only to the little town of Schenectady, but to the development of the nation as a whole!

The city, for such it was now, having been incorporated in 1789, was firmly established as a transportation center, but even greater things, locally important at first and later nationally, were still to come.

The first was the establishment of the Schenectady Locomotive Works in 1848, later to become the American Locomotive Company, with products going throughout the civilized world.

When steam locomotive manufacture waned, due to the introduction of diesels, these were put into production. During World War II the industry turned to the manufacture

of Army tanks, many of which saw service throughout the world. Now, as ALCO Products, the company remains among Schenectady's leaders in the heavy industry field.

Another industry which was outstanding in its day, but which no longer exists in the city, though the name is well-known nationally, was the Westinghouse Agricultural Works, founded by the father of George Westinghouse, Jr., inventor of the airbrake. Westinghouse, Sr., had invented a threshing machine, and this and other agricultural implements continued to be manufactured in Schenectady for many years. George, Jr., however, took his airbrake elsewhere, and today Pittsburgh is best known as the site of a great company bearing the name of Westinghouse. But it all started in Schenectady.

Strangely, in the midst of all this mid-nineteenth century activity, Schenectady enjoyed another industry which at the time was one of its greatest, but of which no trace remains now. It was the broom corn industry—great fields of broom corn grown on all the flats about the city, enabling Schenectady to be the chief center for the manufacture of brooms and brushes in the United States. There were at least four large companies, and many smaller ones.

Kansas Broom Corn

But then the state of Kansas started growing broom corn, and the production reached such proportions that the growers were able to undersell the Schenectady producers. When broom and brush manufacturers in the area were able to buy on this basis, Schenectady fields went out of business. Today only one small broom manufacturer remains in the city, and certainly its broom corn is not obtained locally.

Finally, in 1886, came the stroke upon which all of the later prosperity and much of the development of Schenectady was based. Like many other great things, it had a small beginning.

Early in that year, so the story goes, a representative of Thomas A. Edison passed through Schenectady, and saw a couple of abandoned factory buildings on what was then the southern outskirts of the city. Knowing that Edison was in the market for property on which to construct a small factory for his new electrical industry, the representative approached Schenectady business people about the matter, and finally, after some financial dickering, obtained ownership of the abandoned factory—two tiny buildings—for Edison.

Industry Begins

In December of that year, 1886, the Edison Machine Works came to Schenectady, and the city began an industrial course from which it never has faltered. In 1889 the company became the Edison General Electric Works, and in 1892 the General Electric Company, and so it has remained since.

Until comparatively recent years, Schenectady was the site of the principal factory and the main offices of the company, but with decentralization the latter have been removed to New York City, although the local factory still remains the company's largest, with its main component a Large Steam-Turbine Generator Building which is one of the largest, if not the largest, single factory buildings in the world.

Other Schenectady products of GE are gas turbines, large motors and generators, small and medium AC motors and generators, and electronic power tubes. And to top all this, Schenectady is the site of General Electric's Research Laboratory, founded in 1900 as the first of its kind in this country, the General Engineering Laboratory, and the Knolls Atomic Power Laboratory, devoted to peacetime uses of atomic power as well as to propulsion for naval vessels.

We thus go into detail with regard to General Electric for it furnishes an example of how "big oaks from little acorns grow," just as we have tried to tell the story of Schenectady from that little trading settlement on the banks of the Mohawk River into one of America's great cities—not necessarily in size of population, but in importance—which in three years will observe the 300th anniversary of its founding. ★★★

Consumer Credit for April

CONSUMER INSTALMENT credit outstanding declined \$123 million in April, after allowance for seasonal influences. Extensions of instalment credit rose slightly from the levels of February and March reflecting increases in credit for purchases of automobiles and for personal loans. Total extensions in April of \$3,278 million, however, were still well below the monthly average for 1957, while repayments of \$3,401 million continued near the high level reached in the fourth quarter of last year. In April, as in other recent months, nearly all the decline in consumer instalment credit outstanding occurred in automobile paper. Other consumer goods paper and repair and modernization loans continued to show little change while personal loans continued to rise. Total non-instalment credit outstanding increased \$24 million during the month, after allowance for seasonal factors. This reflected an increase in charge accounts of \$60 million partly offset by a decline in single-payment loans of \$42 million. Total consumer credit outstanding declined \$99 million during the month.—Federal Reserve Board.

Retail Credit Association of Schenectady County

STANNARD M. BUTLER

*Secretary-Treasurer, Retail Credit Association
Credit Manager, Schenectady Savings Bank*



THIRTY-FIVE years ago in 1923, as a result of the efforts of three men of vision and action—E. Le-Roy Shannon of the Credit Bureau and George Edmonds and Rudolf Meyer, department store credit managers—a meeting was called to organize a local credit association. These three credit entrepreneurs had attended conventions of the Retail Credit Men's National Association (as the NRCA was then called) and their attention was forcibly called to the need for an association in Schenectady. (George Edmonds especially liked to recall the Boston convention in 1918 when L. S. Crowder, now General Manager and Treasurer was then President, and the "shore dinner" at Nantucket Beach.)

Seventeen attended the first meeting at which Edmonds was elected president and Shannon, secretary. The organization was named the Associated Retail Credit Men of Schenectady and was strictly a "stag" group. (In those days there were very few women occupying executive credit positions in the country and none in Schenectady.) Meetings were held at noon in the private dining room of a downtown restaurant and the programs were devoted chiefly to the discussion of a delinquent account bulletin. Members reported troublesome accounts (very slow, returned checks, P and L, skips, etc.) to the secretary and the credit bureau compiled this information for use in the bulletin. This bulletin led to considerable and frank discussion and was instrumental in developing a voluntary exchange of credit information and the sharing of mutual problems.

Roy Shannon of the credit bureau served as a very capable secretary for 15 years until his untimely death in 1938. He was succeeded by Laura E. Grigoleit, acting manager of the credit bureau, who was the first woman member of our organization. Others who have served as secretary are Albert P. Bantham, owner and general manager of the Credit Bureau of Schenectady, the late J. Leslie Walton, Edward Sheehan,

A. A. (Tex) Riedinger and Stannard M. Butler who is now serving his seventh term.

The growth of our association was rather slow at first. However, as more firms began to realize the potential business that was to be secured through the medium of credit, membership and interest increased. However, for several years our average membership did not exceed 40. In 1944 an intensive membership campaign was initiated under the enthusiastic and zealous leadership of Past President Burton V. Consaul. As a result, Schenectady won the national membership award for the year 1944-45 by achieving a net gain of 168 per cent in membership. Schenectady thereby became the second largest national unit in District 2 (New York and New Jersey) and held that position for ten years until 1955 when Rochester regained the No. 2 place in the district. At one time during this period our membership was 125. Our present membership is 95, representing 50 different business classifications, and including ten women representatives. It is worthy to note that throughout our 35-year history the dues have never been increased—still \$15.00, including national membership.

First Credit School

In 1939 our first credit school was organized with an enrollment in excess of 60. This was the standard course in "Retail Credit Fundamentals" with Dr. Phelps' popular textbook. By popular demand this course was repeated the following year, the class numbering 20. In 1940 our educational committee deviated from the orthodox pattern and formulated our own course in "Retail Credit Law" and enlisted an outstanding faculty of prominent attorneys including the city court judge and the county sheriff. Some 55 students completed this course. In response to a need for a practical course for medical and dental secretaries we developed in 1945 a course in "Professional Economics" which was approved by the local medical and dental societies. This course re-

ceived national recognition and publicity in several professional trade journals. The class was attended by 50 secretaries and included lectures by specialists in professional office procedures and practice, public and patient relations problems, the proper use of the telephone, billing, credit and collection techniques and procedures, hospital and medical reports, and accounting practices.

In the same year, 1945, the name of our organization was changed to "Retail Credit Association of Schenectady County." We also sponsored the formation of the Credit Women's Club of Schenectady County which has been a flourishing division of our association for 13 years. From 1947 to 1951 our educational committee sponsored monthly luncheon credit clinics, apart from our regular monthly dinner meetings, and the delinquent account bulletin was revived. Informal discussions on various credit problems proved popular with an average attendance of 20. In 1947-48-49 annual joint Tri-City dinner meetings were held with the Albany and Troy associations. Attendance at these intercity affairs usually exceeded 200.

At various times during the past 35 years the association has promoted a program of consumer credit education through the media of the local newspapers, called "Pay Promptly" newspaper advertising campaigns. We have observed National Retail Credit Week during the past seven years with radio talks, spot announcements on the radio, mayor's proclamation and a TV showing of the credit film "The Good Things of Life on Credit." Last year Messrs. Hill, Carmel and Butler and Mrs. Tearno shared speaking assignments before 15 area service clubs on "The Role of Consumer Credit in Our National Economy" as a special observance of this program. We publish biannually a membership roster listing member firms, addresses, telephone numbers, name of representative together with objectives of the association and the national Code of Ethics. In addition,

(Turn to "Association," page 12.)

Science and Industry Meet

(1900 was a milestone for U. S. technology)

WALTER L. KILRAIN

Public Information Bureau, General Electric Research Laboratory
Schenectady, New York

AT THE TURN of the century there was no precedent for an industrial laboratory with fundamental research as its chief objective, although testing laboratories and development laboratories were common. It was then that a few forward-looking leaders in the General Electric Company—realizing that the existing state of development of the electrical industry was based upon the now classical researches of Faraday, Henry, Maxwell, and their contemporaries—proposed the establishment of a company laboratory devoted to basic research. The phenomenal growth of research in industry during the first half of the twentieth century amply attests the wisdom of their pioneer venture.

Selection of Directors

The first and all-important problem was the selection of a man to organize the new laboratory and direct its activity. This decision was guided by wisdom and favored by fortune. It is not an exaggeration to say that the subsequent development of research in American industry was profoundly influenced by the selection of Dr. Willis R. Whitney as the founder and director of America's first industrial laboratory devoted to basic research.

Whitney was then a young chemist on the faculty of the Massachusetts Institute of Technology. When approached by Mr. E. W. Rice, then technical director of General Electric, he demurred because he was engrossed in his research work at MIT. Moreover, he feared that industrial research would not provide the range of interests and the freedom for investigation that made academic research so attractive to him. Rice, however, convinced him that industrial research offered abundant challenge and the promise of rich awards in the form of scientific achievement. So far as freedom to pursue his own scientific interests was concerned, Rice, in effect, told him to write his own ticket. Thus was established the principle in individual initiative that characterizes the work of the Laboratory to this day.

In the spirit of the true experimenter, Whitney decided to give the

new venture a trial, but, being loathe to sever his academic connections, he undertook the task on a part-time basis, dividing his time half-and-half between Schenectady and Cambridge. However, he soon became intrigued with the opportunities for research that unfolded before him, and decided to make a career of industrial research.

The first home of the Research Laboratory was an exceedingly humble one—a barn behind the home of Charles P. Steinmetz, the mathematical genius of the electrical industry. Soon after the Laboratory was established, the barn was destroyed by fire, and in the spring of 1901 the Laboratory was transferred to a small building in the Schenectady Works. This was the first of a number of moves that came with the growth of the Laboratory.

One of the marks of a leader is his knowledge of men—his ability to select promising young men, to work along with them, and to inspire them to their best efforts. In this aspect of leadership, Whitney excelled, and he soon began to attract to his staff brilliant young men whose subsequent contributions to scientific knowledge are now known throughout the world.

One of Whitney's first recruits was Dr. William D. Coolidge, who came to the Laboratory from MIT in the fall of 1905. With the vigor and enthusiasm that have characterized all of his work, Coolidge embarked upon a series of researches that bore fruit both in additions to scientific knowledge and in material benefits to mankind. He is perhaps best known for his work in x-rays, which yielded immeasurable benefits in medical and industrial applications.

Traditions Established

Upon Whitney's resignation from the directorship in 1932, Coolidge succeeded him and carried on the traditions that Whitney had established. Now director emeritus, he continues to take an active interest in the affairs of the Laboratory.

Dr. Irving Langmuir joined the staff in 1909. His brilliant analytical mind, keen observation, and amazing power of concentration prompt-

ly established him as a leader in research. Langmuir typified to an extraordinary degree the two most essential characteristics of a research scientist—originality and an insatiable curiosity. The recipient of many scientific awards and honors, including the Nobel Prize for Chemistry in 1932, Langmuir exemplified the pioneer spirit that is the *sine qua non* of research. He was associate director of the Laboratory from 1932 to 1950.

A colorful and distinguished member of the "old guard" was Dr. Saul Dushman. Upon joining the Laboratory staff in 1912, he became associated with Langmuir in work on thermionic emission and space charge. Assistant director of the Laboratory from 1928 to his retirement in 1949, Dr. Dushman was esteemed by all of his colleagues for his eminence in research and for the human qualities that are essential components of leadership.

Early Pioneers

Another member of this band of early pioneers was Dr. Albert W. Hull, who came to the Laboratory in 1914. Like Whitney, Coolidge, and Langmuir, he began his scientific career as a college professor, but yielded to the lure of a full-time research job among colleagues as adventurous as himself. He is said to have originated more basically new types of electron tubes than any other man. He served as assistant director of the Laboratory from 1929 to 1949.

Research constantly moves forward. The discoveries of today reveal new horizons for tomorrow. The present director of the Laboratory, Dr. Guy Suits, is carrying on the traditions so firmly established by his distinguished predecessors. Under his able leadership, the Laboratory is prepared to continue its function of exploring the unknown. Today the Laboratory has a total staff of 1,300, including 400 scientists. From the ranks of the younger scientists are coming new achievements, and time will reveal distinguished new names—worthy successors to those pioneers to whom the world owes so much. ★★★

A Short History of Union College

The oldest college west of the Hudson River

Founded in 1795

UNION COLLEGE was a child of the American Revolution, for the popular agitation for a non-denominational college to meet the educational needs of the people of New York State on the Western Frontier began in 1779, while the war was at its height. Sixteen years of petitioning and the influence of General Philip Schuyler were required to secure the college's charter in 1795, but ten years earlier a brilliant pastor, Dr. Dirck Romeyn, had begun Schenectady Academy to help satisfy the public demand. It was this available building, plus a gift of 5,000 acres of land, which brought the College to Schenectady, an old town founded by the Dutch in 1661, and scarred by Indian massacres and French wars. The name of the new college symbolized the recent federal union of the 13 colonies into a single nation; the first course of study was American history and government.

French Influence

The French Revolution, which stirred the civilized world for 50 years after 1789, set its mark upon the college—in the French "fraternity" motto on the college seal; in the optional study of the French language instead of Greek in the curriculum; in the selection of a French architect, Joseph Jacques Ramee, to design America's first specifically planned college campus and buildings in 1813; and in the establishment of the country's first college social fraternities, Kappa Alpha (1825), Sigma Phi (1827), and Delta Phi (1827).

The scientific and industrial revolution of the early nineteenth century also deeply affected Union. Under the brilliant leadership of its inventor-scientist president, Eliphalet Nott, who presided over the college destinies for a record period of 62 years, a degree in scientific studies was offered in the eighteen twenties, and engineering was introduced for the first time on a liberal arts campus in 1845.

During President Nott's administration the main buildings of North and South Colleges were construct-

ed with the proceeds of public lotteries, the 100-acre campus was beautified by green lawns and the exquisite Jackson's Garden, and the reputation of the college grew so that, with Harvard, Yale, and Princeton, it was spoken of as one of "the big four." Students flocked from the deep South and West as well as the East; among them were the father of Franklin D. Roosevelt and the grandfather of England's Winston Churchill, President of the United States Chester A. Arthur, seven cabinet secretaries, 15 United States Senators, 91 members of the House of Representatives, 13 governors, 50 important diplomats, over 200 judges, 40 missionaries, 16 generals, and 90 college presidents who spread the new doctrines to other colleges. Today these "greats" are honored in more than 75 historic portraits in the campus buildings.

While many of the nation's early colleges followed paths leading to the formation of large universities, Union chose to remain a small men's college, with emphasis on undergraduate education.

Rich in Traditions

Under Presidents Charles A. Richmond (1909-1928), Frank Parker Day (1929-1933), and Dixon Ryan Fox (1934-1945), Union successfully weathered two world wars and the intervening depression, to reach its one hundred fiftieth birthday stronger than ever before in its long and eventful history. Today, under the leadership of President Carter Davidson (1946-) students find Union College rich in traditions, but young in spirit, vigorous in its approach to the problems of today and tomorrow, and ready and able to serve its students by preparing them for usefulness in the modern world, and for a better understanding of their American heritage.

Union College, as its name implies, was founded to unite the educational endeavors of the many different national and religious groups. It still endeavors to be interracial and international in its student body, interdenominational in its religious program, and broad in its

curriculum. Its central aim is the production of reasoning, resourceful, and responsible citizens.

To achieve this objective, Union in 1845 pioneered in the adoption of a program of "balanced education," being the first college in America to put instruction in engineering on a liberal arts campus. As a result, students in civil, electrical and mechanical engineering live in an environment of general education, and carry each year at least one course in Humanities or social studies; students in the liberal arts are made acquainted with the practical aspects of our industrial civilization, whether it be the use of English and foreign languages in journalism, advertising and radio communication, or the activities of governmental agencies in a democratic capitalistic economy.

One of Top Ten

Last year the *Chicago Tribune*, after surveying American colleges, rated Union among the top ten men's colleges in the country.

Distinguished members of Union's faculty, such as Charles Proteus Steinmetz, famed General Electric scientist who for many years headed Union's Department of Electrical Engineering, have played major roles in maintaining Union's high reputation.

Recognizing the importance of attracting and holding a distinguished faculty, Union's alumni and friends have supported the college generously, as the college's \$21,000,000 endowment attests. The support and unique organization of Union's Alumni Endowment Fund has attracted national attention. Union alumni working for General Electric rank among the first in support of the company's program of corporate giving to higher education. In recognition of the college's efforts to maintain attractive faculty salaries Union was selected by the Ford Foundation for a special citation and bonus grant in 1956. About \$2,500,000 is spent annually by the college in scholarships, grants-in-aid, and loans to assist the students. ★★



A. B. Bantham

The Credit Bureau of Schenectady

A. P. BANTHAM, Owner and General Manager

LAURA E. GRIGOLIET, Manager



Laura E. Grigoliet

ON AUGUST 3, 1914, the doors of the Credit Bureau of Schenectady were opened by the late E. Leroy Shannon, who was well known in credit circles until his untimely death in 1938. The bureau, therefore, will celebrate its 44th anniversary this year.

It is unusual in that it began under private ownership, and it has always remained so. There have been only two owners, Mr. Shannon, its founder, and Albert P. Bantham, who bought the bureau from the Shannon Estate in 1939.

The bureau occupies third-floor space in the Chamber of Commerce Building, which is about 100 feet from the principal street intersection in downtown Schenectady where all of the public transportation converges. It is, therefore, not only convenient to the public but to the stores, banks, and other business places. It is a few short blocks from the city hall, the county courthouse and the post office, which makes for efficient operation. Telephone equipment consists of the largest key-box installation in the city, and in spite of newer types of equipment the bureau has found this to be the best adapted to its purpose, considering speed of service, flexibility and reliability.

In the beginning it was a collection agency operating under the name of the Shannon Mercantile Service, but in 1918, with the assistance of the credit managers of two of our large department stores and several other leading merchants, a form of credit reporting was started.

Mr. Shannon foresaw that this type of information would be insufficient as a basis for extending credit, and he suggested to the publishers that they attempt to keep the information up to date. They were interested, however, only in publishing and selling credit rating books, and after a time, by mutual agreement, they removed their data and the credit bureau started out on its own.

The first step was to record in

the new files all of the information on the accounts in the Collection Department, paid as well as uncollectible. At the same time, through the cooperation of far-sighted merchants and banks, ratings were obtained on these and other individuals, all of which were included in the files. From this modest beginning the files have been expanded many times, in numbers and in information, from many sources.

In 1920, taking a long look ahead, it was decided that real estate information would become more and more important in credit extension. Thereupon a complete copy was made of the assessment rolls of the City of Schenectady and the Village of Scotia, which is situated on the west side of the Mohawk River. It took considerable time and expense to do this, but in the end the bureau had added much valuable material, which has been of help to business and the professions.

Gathering Information

These are recorded on heavy 8½" x 11" cards, which show each parcel of land, the lot number, the house number on the street, and how the land is used; whether vacant, private home, garage, or business property, a brief description of the building, etc. They are filed alphabetically according to the names of the streets.

When this task was completed, a cross-reference file was begun, using 3" x 5" cards, containing the name of the owner of each parcel. If one man owned ten pieces of property, there were ten different cards. These were then sorted and filed alphabetically by owner's name.

A month after the completion of this file the bureau began the publication of "Shannon's Daily Docket," listing some 85 items of public record as recorded in the office of the county clerk, the city clerk, the city court, the Office of Vital Statistics and others. These items included deeds, mortgages, assignments and discharges of mortgages, judgments of all types, satisfaction of judgments, conditional sales con-

tracts, chattel mortgages, births, deaths, marriages licenses, building and plumbing permits, etc. Now known simply as "The Daily Docket," it has been published every business day for 38 years.

As far as we know, the Credit Bureau of Schenectady is one of the few in the United States maintaining this cross-indexed real estate service. It is true that a considerable amount of clerical work is involved, and during the last war, when personnel was difficult to obtain and retain, there were times when we thought we might have to abandon it. Our bankers, merchants and real estate men appreciated the value of the service and urged us to continue it, and we are glad now that we were able to do so.

In order to keep this information up to date the docket information is recorded each day not only on the master credit cards, but also in both sections of the cross-reference real estate file. A record of these changes is sent to our Board of Assessors for their information and use. Each year, of course, there are many changes in assessments, so that a revision of our records is necessary, and this is done before the bills are mailed.

The local newspapers are clipped daily and pertinent information is added to the records the following morning.

The Reporting Department provides many types of service to meet the varied needs of its subscribers. It furnishes up-to-date verbal and written reports, rush files (which contain everything to date except verification of address and employment, current ratings and open balances), out-of-town reports, real estate reports, commercial, F.H.A. and G.I., property searches and a newcomer service.

This latter information began originally as a limited service to a few stores, which wanted both the names and the addresses of the newcomers, and the credit records as they appeared in the bureau of the city from which they came. In the spring of 1955 it was decided to make this

information more generally available, so we began the publication of a bi-weekly newcomer list, sold as a mailing list at a modest price. Those who desire credit reports on these people obtain them through the bureau in the usual way.

In 1923 a unit of the National Retail Credit Association was formed known as the Retail Credit Association of Schenectady County, and Mr. Shannon was one of its charter members and the Secretary-Treasurer for many years. The bureau has continued throughout the past 35 years to take an active part in the Association.

In 1940 the bureau began the operation of a small loan exchange, which is now used extensively by the six small loan companies located in the Schenectady area. Early in 1956 the file was modernized through the use of visual filing equipment, which has materially improved the service.

The bureau pioneered in the electric filing by installing it in the Collection Department as far back as 1939, and interestingly, it coincided with its 25th anniversary. Changing the records to conform to this new equipment was another major task, but it was a success from the beginning. We found it to be fast, accurate and practically foolproof. At this time the bureau is considering the installation of a new type of automatic equipment and has tentatively set the target date for January 1959.

In June 1945 a unit of the Credit Women's Breakfast Clubs of North America was organized in which the key employees of the credit bureau became charter members and have continued as active members and held offices as well as being mem-

bers of the Board of Directors of the Credit Women's Club of Schenectady County.

The Collection Department is a far cry from the early days. Not only is equipment much improved, but the methods of operation have kept pace with the times. Without going into details, the processes are quicker, more efficient and with stress laid on the maintenance of good will between the debtor, the creditor, and the bureau. The officers of the bureau have leaned over backward to make certain that forms and procedures conform to the best ethical practices.

Six years ago, in order to give more personal and specialized attention to professional and hospital accounts, the bureau set up an affiliated organization known as the Medical-Dental Service Bureau of Schenectady. The purpose is to provide a dignified and successful medical collection service to the health professions. That there was a real need has been shown by its continuing expansion. On February 1, 1958, when the Associated Credit Bureaus of America, Inc., formed the Medical Credits Division, the Schenectady bureau became a charter member, and we are looking forward to increased usefulness as a result of this affiliation.

One of the most important reasons for the success of the bureau has been length of service on the part of key members of the staff. Five of them have a total of 155 years of service, or more than 31 years per employee. Five others have a total of 71 years, or 14 years of service per employee.

From 1914 to 1918, the bureau was operated by Mr. Shannon and

one employee. There are 26 people on the bureau staff today, handling a volume of business considerably greater than would be expected of a community of 97,000 population. The high calibre of the personnel is recognized throughout the territory, which makes for fast and smooth handling of inquiries and ratings.

The result of this has been a continuity of policy and a steady improvement in methods, year by year. New ideas, as developed or acquired at conferences and conventions, have been studied carefully, and when convinced that they were an improvement over the old, prompt and decisive steps have been taken to adopt them.

Many years ago the policy was established in the Collection Department, and instituted in the Medical-Dental Bureau, to "clear the books" every month. All amounts collected one month were remitted, less commissions, by the tenth of the following month. The statements were accompanied by carbon copies of the actual receipts given the debtors, so that our clients had an accurate record, month by month, of their collections. A few years ago, in an effort to level off the work load in the office we instituted a process of "cycle remittances." The alphabet was divided into three sections and depending on the first initial of the client, checks are sent monthly on the first, tenth, or twentieth.

The bureau is fortunate in having the wholehearted cooperation and support of practically all the business and professional people in its area. They, working as a team with the staff, have brought reporting and collections to a high state of efficiency. ★★★

Text and Reference Books Published by the N. R. C. A.

Retail Credit Fundamentals, 390 pages	\$5.00
Retail Credit Management, 477 pages	5.00
Streamlined Letters, 497 pages	6.50
Important Steps in Retail Credit Operation, 76 pages	1.50
How to Write Good Credit Letters, 128 pages	2.25
Physicians and Dentists Credit and Collection Manual, 64 pages	2.00
Retail Collection Procedure and Effective Collection Letters, 80 pages	2.00
Retail Credit Sales Procedures and Letters, 80 pages	2.00

NATIONAL RETAIL CREDIT ASSOCIATION

375 JACKSON AVENUE

ST. LOUIS 5, MISSOURI

Credit Women's Club of Schenectady County

LIKE THE sister clubs across the nation—in Canada and Hawaii—women and girls representing all phases of enterprise extending credit in Schenectady, meet on the third Tuesday evening of each month, as the Credit Women's Club of Schenectady County.

The Schenectady club received its charter on June 14, 1945, with a membership of 40, and this year celebrates the baker's dozen years of existence. Since it was sponsored by the Retail Credit Men's Association of Schenectady County, membership in the club for the girl is dependent upon her firm's membership in the Men's Association.

In keeping with the international policy—the programs for the monthly meetings are aimed at education in current credit principles, and speakers for many of them are outstanding authorities in their particular professions. However, a very popular program is "Open Forum" or "Panel Discussion" which consists of membership participation. A panel of members acts as moderator and experts and answer questions from the audience. Of course, some questions beget other questions, always providing a stimulating and interesting meeting. The club year starts in September with installation of new officers, continues with Credit Bureau Night, and builds up to the gala program—Bosses' Night in May, and terminates with the

birthday meeting in June. The July and August meetings, both outdoor affairs, are held at various members' summer homes, and combine learning with leisure and pleasure. Two of the regular meetings are joint participation programs with the Credit Men's Association.

Schenectady credit women are justly proud of the monthly edition of their bulletin, "Creditgram," in which most of the material is contributed by the members. Subjects covered include banking procedures, financing, cycle billing and budgeting, collection techniques, etc. The Schenectady "Creditgram" has won several district bulletin awards for excellence.

But club life is not all serious hard credit work. To keep minds agile, meetings have, from time to time, provided educational entertainment with such highly respected firms and names as the House of Elizabeth Arden, whose representative explained how credit women could work hard and still be beautiful—John Robert Powers Agency, whose Mr. Powers personally lectured on how the business woman could work all day, and still present a charming appearance after office hours. Occasionally world travelers visit Schenectady, describing not only the physical scenery of the lands visited, but the existing economic conditions as well. Of course, no travel program is complete without

its colorful slides and films. A secret pal program and holiday project round out the year's work.

When the Empire Council, District No. 2 was formed in 1947, Schenectady became a member club, and proudly boasts that the charter officers of first vice president, treasurer and director were filled by Schenectady credit women. Since that time, there have been four district presidents from Schenectady, and each year the other offices are usually held by one or two members from Schenectady. On several occasions, Schenectady has been the hostess city for intercity conferences. At this time, ideas are exchanged, seminars held, and pleasant friendships with our district clubs renewed.

Membership in the Credit Women's Club of Schenectady is a distinct advantage for novice and veteran in the credit field, alike. Invaluable information is passed along at meetings, giving the novice credit education, friendships formed within the club, and make the gathering of credit data much simpler for the veteran.

In the past 13 years there have been many changes in the history of the Schenectady Credit Women's Club but the interest and enthusiasm of the members has always remained high. Glancing back at the accomplishments of the past the future can certainly be faced with greater faith, vision and courage.

● "Associations" ●

(Beginning on Page 7.)

we publish a three-page multilithed bulletin called "Credit Chronicles" which is edited by the secretary. (If you would like to exchange with us please write the Secretary, P. O. Box 1008, Schenectady 1, N. Y.) Our standing committees include membership, finance and budget, education, advisory committee to the Credit Women's Club, and attendance and reception. Joint meetings with the Credit Women's Club are held once a year. Well-known personalities in the credit world who have addressed our association are Leonard Berry, National Past President Joseph A. White, Paul Jackson of Syracuse, Newton D. Bartle, the late Irwin Evans of Utica, N. Y., Al Kleckner, Al Trotta and Gordon Dakins of NRPGA, Charlie Martin, A. J. Worsdell, A. B. Buckeridge, R. A. Severa and others.

The following officers and directors are serving for 1958: President, Clifton A. N. Hill, Assistant Treasurer of Schenectady Trust Co.; Vice-Presidents, Stewart Robbie, Manager, Household Finance Corp., and Richard Robinson, General Manager, Robinson Furniture Co.; Secretary-Treasurer, Stannard M. Butler, Credit Manager, Schenectady Savings Bank; Assistant Secretary-Treasurer, Mrs. Bernice Boshart, Secretary-Treasurer, Allen Appliances, Inc.; Counsel, John J. Mauriel, Mauriel, Severson & Soennichsen; Directors: Arthur K. Carmel, Credit Manager Industrial Bank of Schenectady; Joseph J. Clair, Clair Adjustment Agency and City Marshal; Burton V. Consaul, Secretary, Wm. Sherry Tire Co., Inc.; Mrs. Mary Coughlin, Special Billing Supervisor,

Ellis Hospital and President, Credit Women's Club; Francis P. Dockendorf, Credit Manager, The Carl Company; Edward F. Dunleavy, Manager, Domestic Finance Corp.; Marvin E. MacMillan, Assistant Vice-President Mohawk National Bank; and Mrs. Bessie A. Tearnio, Credit Manager, The Wallace Company.

Several members have been active in district and national affairs. Rudolf Meyer, Stannard M. Butler and Arthur K. Carmel have served as district presidents and Messrs. Butler and Carmel as national directors. Our first two presidents, Edmonds and Meyer, were elected honorary members upon their retirement and maintained an active interest in the activities of the association until their death last year. ★★

What to Do About Credit Sales Promotion

MRS. BESSIE TEARNO

Credit Manager, Wallace's, Schenectady, New York

IN 1958, credit sales promotion is more necessary than ever. The job of every credit manager is to promote credit sales, getting across to the customer that his purchases are necessary to keep manufacturers and industry busy to keep people on the job.

For the past several years the inactive accounts in our files have not had too much attention. The general thought has been that most of these people had either moved out of town or had passed away. However, when analyzing these accounts we found they had been active and in most cases were paid promptly. For some reason they just stopped buying. Why?

Since we send out no balance statements, at least twice a year we would, of course, find out which ones had moved out of town or which ones had passed away. After removing these ledgers from the files a great many no-balance accounts still remained.

The last inactive promotion we used brought in many answers. We used a poem type of promotion, "The Tale of Two Stores," a two-page brochure with our message on the front page and the second page to be used by the customer for her reply. A self-addressed return envelope was enclosed.

Many poems were composed in reply by our inactive customers, some amusing and some which caused us concern. A great many of these had reached the retirement age and since their income had been somewhat reduced they felt they could not afford a 30-day account.

A letter was sent to these customers explaining to them the revolving type of credit with set limits and payments of \$5.00, \$10.00, etc. a month. This letter also told them of our lease accounts for larger items on which terms could be arranged which would fit in with their "new" budget. We did get some pleasing results from these customers.

We truly believe people like this special personal attention. It lets them know we miss them and would like to have them do a charge business with us again. Everyone likes to feel they are missed and important individually. This is a very flattering approach.

Some of the answers let us know

about some unhappy experience in our store. These were few but to us important. These complaints were followed through replies sent to each one. These "forgotten customers" can in many cases become active customers again if you let them know they are missed and you really want them back again.

Joseph Feller, of Joseph Feller, Ltd., Ottawa, Canada gave a very interesting talk on inactive accounts at a recent credit meeting. The talk he gave made me think more than ever "There's gold in them there accounts."

Henry Dodge, Credit Manager of Barney Company, Schenectady, N. Y., a department store, really follows through on the inactive accounts in his store. He spends a great deal of time calling these customers personally on the phone, but he feels this pays off in activity. As a credit manager he feels it is his job to get these accounts active with the flattering approach again. These accounts have shown their previous worth so why not have them back again and active?

Christmas Budget Account

Mr. Dodge also has an idea for a 90-day Christmas Budget account. This is an excellent idea which creates more business for his store. The customer applies for this type of an account and she is given a shopping card with name, address and limit requested. This card is made with narrow lined spaces with the limit at the top. As each purchase is made she presents this card to the clerk, who deducts the purchase from the last balance so that the customer knows how much she has spent and knows how much more she can spend. Result—additional business.

In these days of high overhead costs the credit manager must find some way to encourage more credit sales with a minimum cost. How? Outside door to door solicitation for new accounts, newcomer lists from our local credit bureau, a constant reminder in your daily newspaper advertising the types of accounts you have to offer, or unusual colorful item brochures for insert mailing with your statements increase sales volume. There are many different ways to go about this.

In our store we have found the

clerks very cooperative in obtaining new accounts for us on the selling floor. We had forms made up in pad form and distributed throughout the store. When a customer makes a cash purchase the clerk asks her if she would be interested in a charge account. If she is, the clerk gives her a form which she fills out. This is a complete form—last name, husband's name, her first name, address—own or rent, his employment—her employment, credit references if any, telephone number and signature. There is also a space for the clerk's number and department. This comes to the office with their day's sales. After the usual processing, if the account is accepted, it is opened and a shopping card mailed to the customer. If this account becomes active the clerk receives 50 cents for each account she has given to us. This is not a new idea but it pays off and is not costly.

In a recent talk with a credit manager of a large store I was given food for thought. This was on collection letters. How about the attitude of the collection department towards the past-due customer? Are the letters used a courteous, non-offending type? The same letters, the stern approach—either pay up or else, send anything as long as it collects the account. Then does the customer pay up and not use the account again?

For the past few months we have been using the telephone more and more. We have found this to be more satisfactory than any letter one can write. It is easier for a customer to discuss her problem this way and less embarrassing. It paves the way for your customer so that when she comes to the credit office there is a better understanding and a more comfortable feeling on both the part of the customer and the collection manager. A bill will be paid and a customer back on the books with a better understanding of what is required of her in the future.

There is nothing more important, I feel, than good public relations between your customers and your collection department. You know the customers you now have, both active and inactive—keep the active, revive the inactive, and the new accounts will come. A happy, satisfied customer is the best advertising policy your store can have. ★★★



Credit Available

CLIFTON A. N. HILL

Assistant Treasurer, The Schenectady Trust Company
President, Schenectady Retail Credit Association

AT CREDIT CONFERENCES we discuss terms, types of contracts, credit letters, delinquencies and a multitude of credit granter's problems. However, I have yet to attend a credit meeting of any kind where credit granters considered taking time to make an analysis of the credit facilities that are available to the American public.

Most businessmen will concede that the greatly increased volume of business we have enjoyed in recent years has been made possible by credit sales and we are not reluctant to advertise "terms available." But how many of us have ever really tried to show the public that the very mode of life enjoyed here in America has been made possible by the service rendered by a host of organizations making it possible to enjoy immediately the products of our great industrial system.

Here in Schenectady, we have used the opportunity afforded by such occasions as "National Retail Credit Week" to go before our citizens and tell them a little of the part that credit plays in our economy. We have given radio talks, used newspaper releases and paid advertising and have spoken before various civic organizations. Our experience here has been very gratifying.

Most of us, however, have either been general in our talks or have confined our remarks to telling about our own particular situation. There is nothing wrong with this so far as we have gone but, I believe that we as a group have played a tremendous part in developing a vigorous economy and that we should perhaps make an exhaustive survey of the facilities available to the people and then tell them about it.

It was with this thought in mind that I began a rather cursory study of our local situation and I was somewhat surprised to realize the many places in which credit is available here in this city of about 100,000 persons.

First, there are literally hundreds of small shops, selling meats and

groceries, extending retail credit to the people of our community. Many of these are of such size that they are scarcely known beyond their immediate neighborhood. Still, we must not overlook them for while they do not seem to loom large in our business picture, and they do not advertise their services, they perform a substantial service in an area where many a larger organization would not find it feasible to operate. The specialty of these merchants, of course, is "tiding over" till payday, for the bare necessities of life and sometimes it is a matter of "tiding over" until his customer finds employment.

Coming to mind next are the hundreds of dress shops, hardware stores, drugstores, bakeries, milk dealers, gas stations and various specialty shops where it is possible to obtain merchandise and service on open account.

There are also the many professional men, particularly doctors and dentists who are willing to make their service available when needed and permitting payment to be deferred until a later date.

Credit Services

All of these are credit services, essential to our way of life, and yet it is doubtful if we ever make more than guess of the total service rendered to the community by these people.

In addition to these, of course, there are the many business houses which extend credit on a more formal basis. Principal among these are the three oldest and largest department stores, the many appliance dealers and automobile dealers.

When we investigate the facilities of the department stores we find plans to fit most any need. Available, are the 30-day accounts, 90-day accounts, revolving credit and, in addition, long-term contracts for "big ticket" items.

Thus far, we have mentioned only credit facilities offered by retail stores either on open account or purchased contracts for the immediate sale of merchandise.

But there is also a tremendous store of credit available from the banks and loan companies and it is here, of course, that we find, not just an opportunity to buy from a single store on credit, but a source of cash loans to meet any reasonable need.

In this field of credit are the 16 offices of the commercial banks and the six offices of the small loan companies, so located that no one need look far for a place to submit his application for a loan. And, for those who wish, the service can be arranged entirely by mail. With the loan the borrower, of course, is enabled to purchase, through credit, anything available in the market place.

While the supply of mortgage credit represents a substantial amount of credit available to the general public, it has not been considered here since, for our present purposes, we are primarily interested in the short-term, open-account type of credit.

Also operating in this field are several Federal Credit Unions. Since these operate in limited fields and are of a somewhat different nature than those of us serving the public at large, we have not considered them here.

Often when we consider the many sources of credit, we become concerned with the possibility of over-extension of the individual. As good credit granters, it is proper that we do this.

However, having in mind the tremendous part that consumer credit has played in the development of our economy and in bettering our standard of living, I believe that we should each of us make at least a brief survey of the services we are offering our communities by making credit available to our people.

We must continue to make "credit available" and let us not be reticent about telling our fellow townsmen about our role in the economy. Of course, as good credit men and women, we will tell our customers that the one essential key to this valuable service is a "good payment record."

★★★

Redrawing the Economic Picture

Flexible and realistic credit policies that plumb every possible way to finance customers' purchases are a "must" in this year of economic adjustment, Edwin B. Moran, vice president, National Association of Credit Men, told members of the National Association of Music Merchants, in convention at the Plaza Hotel, New York, recently.

"Too tough credit rules can be more detrimental to your sales volume than those which are too loose," the author of *The Credit Side of Selling* told the dealers. Cautioning that last year's credit policy is probably obsolete, he noted "it is highly possible that during 1958 it will be necessary to reappraise, re-evaluate, rejuvenate and revitalize your instalment credit system, if you are to continue financially strong and stable. Make sure that your credit manager consults you, especially where good customers are concerned, before he declines further extension of credit, or extension of settlement."

The former president of the Chicago Sales Executives Club predicted that "instalment payments will hold up satisfactorily, with but nominal increase of bad-debt charge-offs." Declaring that "no one yet knows how big is 'too big' for the consumer debt load," Mr. Moran placed a figurative yardstick on the amount of instalment repayments in a year against the income people have left after taxes, and came up with these relative figures on repayments: 10.1 per cent in 1951; 12.5 per cent in 1955; 12.9 per cent in 1956, and 13.3 per cent in 1957. This year, he added, "payments on old debts still are rising, but income is off."

Credit and instalment extension "is not anywhere as loose as a lot of people think," the merchants were told. "In fact, the over-all charges to bad debts and the monthly percentages of collections prove that the credit structure is mighty sound. The vast majority of people pay their bills and instalments promptly; a tremendous number of families have little or no instalment debts, and nearly all credit granters carefully screen applications after obtaining a credit report.

"We know from many years of experience that when more liberal credit is justified, credit will be liberalized and, as is true today, when conditions necessitate a reappraisal or tightening up in the extension of credit, you will be guided accordingly and your policy adjusted to the economic realities."

Using credit as a sales tool for maximum volume with controlled expense demands streamlining, he suggested, starting with a retitling of the department to Credit Sales Office. The modern credit sales executive "goes after the new business by as strong a series of promotions and sales effort as the best salesman on the floor. In many stores the credit sales executive also has his quota of new accounts. On former and inactive accounts he makes periodic checks."

Tieing-in with the new title on the door to the department is the requirement that the credit office be a "modern, pleasant place for interviewing customers, as physically attractive and as important as the merchandising floors, not a shabby section partitioned off in the most inaccessible part of the establishment."

Mr. Moran pinpointed special requirements of credit sales operation in this year of redrawing of the economic picture. With more careful screening of credit applicants comes the need of an intensified program to

educate the credit purchaser to his responsibilities, for "the better the credit risk, the better the underwriting risk."

Instalment accounts that were opened in the years of greater prosperity may need extra attention in maintaining turnover of collections, as does retaining good will while collecting from accounts still fundamentally good credit risks but now financially embarrassed by lack of steady employment.

Declining sales, more difficult collections and pyramiding accounts will tax the credit executive's ingenuity, but "with patience, tactful and intelligent approach and application of the very best selling sense and psychology, he can maintain a strong financial position and be better prepared to grasp the opportunities of a reviving economy."

Temptation to ease or extend credit terms under increased consumer resistance to sales should be fought off, the dealers were advised, and more careful selectivity is in order. "Greater efforts should be made to encourage the customer to pay down as much as possible on purchases," Mr. Moran advised, citing a store that offers a small increase in commissions to salesmen in proportion to the amount of down payment. Keep in mind the three modern "C's" of instalment credit: Customer, Collections, Costs.

Acquiring, training and developing collection ability calls for an expanded educational program for sales and credit personnel, he underscored, because "better than mediocre talent will be required to keep your collection report in good perspective."

Mr. Moran presented 18 rules "for good credit appraisal and collections," among them these: Know your customer and insist upon references; explain that his prompt payments will enable you often to pick up bargains you can pass along to him; have the courage to say "No"; try sending statements to only the surest customers and using clerk or salesman to collect all other accounts; personally examine every uncollected or delinquent account; boost your local merchants' credit bureau; make sure your bookkeeping is accurate.

The analyst expressed his conclusion that the store with a firm but understanding and cooperative attitude toward credits and collections "gets along considerably better than one that is negligent, timid or even afraid to enforce past-due collections." ★★★

Department Store Credit for April

INSTALMENT ACCOUNTS outstanding at department stores declined 4 per cent during April but were 1 per cent above the year ago level. The instalment collection ratio at 14 per cent was down 1 point from the previous month. Charge accounts receivable increased 1 per cent during April, somewhat less seasonally, and were 2 per cent below the year ago level. Collections on charge accounts amounted to 46 per cent of first-of-month balances as compared with 49 per cent a month ago and 45 per cent a year ago. The total of cash and credit sales at reporting department stores was 1 per cent above the previous month and 8 per cent below a year ago.—Federal Reserve Board.

The New Look in Bank Consumer Credit

J. C. GILLILAND

Assistant Vice President, Pullman Trust & Savings Bank, Chicago, Illinois
First Vice President, National Retail Credit Association

AFTER SOME THOUGHT about how best to handle this topic, it was decided to approach it from two angles. First, from the angle of direct extension of bank credit to consumers, and second, from the angle of bank financing of consumer credit generated by retailers and professional people. The first approach will be of direct interest to you, personally. The second approach will be of interest to you as retailers. Both approaches should be of some interest to the bankers and other financing agents in the audience.

Basically, the extension of direct credit to a consumer is still one of making a personal cash loan. However, just as the variety of credit plans, offered customers by retailers, are adaptations and extensions of the basic charge account and installment account ideas, so too, have consumer bankers adapted the basic loan to a variety of specific needs of consumers.

The direct loan to a customer for the purpose of buying a new or used automobile is practically a standard procedure in banks today.

The banking group for which I work was one of the pioneers in making direct loans for the purchase of house trailers, as they were called, or mobile homes as they are now known. If the applicant checked out within our standards, we took a chattel mortgage on the trailer, gave him a check for the purchase price, payable to him and the seller, and had our lien recorded on the motor vehicle title for the trailer. We required adequate insurance on the trailer and furnished credit life insurance on the debtor. Our experience was excellent as we made loans primarily on trailers that were to be used as more or less permanent homes and not hauled around continuously. We got out of such direct financing when mobile home parking space in our area became so scarce that the park owners required bonus payments. Dealers tied in with the park owners, and about the only space rented was that to the dealers' customers.

Other types of chattel mortgage direct bank loans made today are those for the purchase of pleasure boating equipment and private airplanes. Here, too, satisfactory experience is being reported.

Common types of personal loans made on a note basis are those for debt consolidation, vacations, home improvements, and merchandise and service purchases. Recently, loans for the construction of home swimming pools have entered the specialty picture.

One of the latest innovations in direct lending was introduced by a member of District I, N.R.C.A., the First National Bank of Boston. Their "Check-Credit Plan" is a revolving credit type of loan. The idea is now used in several banks across the country. Essentially, you apply for a personal line of credit and sign a revolving loan agreement. You agree to pay a fixed amount each month on a specified date. Your credit line is set at 12 times the payment amount. You are given a supply of personalized checks. When you want to make purchases, or pay bills, or get some cash, you issue one or more of the checks. These checks come back to the check-credit bank through the usual clearance channel.

Check Routine

When the checks reach the bank, they are delivered to the consumer loan department. If the checks are found to be "according to Hoyle," a loan is set up on the ledger for the amount of the checks. A monthly statement is sent about 10 days before the payment due date, showing the loan balance. The payment due is one-twelfth of the amount of the credit line, even though the balance may be substantially less than the maximum allowed. A service charge of one per cent per month on the average daily outstanding loan balance, and an item charge of 25 cents per check drawn, is added to the monthly statement balance. No charge is made unless and until you use some portion of the credit line. As payments are made, the credit available to you, up to your total line, is increased just as, on a merchandise revolving credit account, your "open-to-buy" is increased.

Before getting into dealer generated or indirect financing, let me say that many banks which do direct financing may do no indirect financing, aside from ordinary "statement loans" to dealers. Dealer financing

requires the attention of personnel experienced in the procedures and problems peculiar to the various specialties financed. Both wholesale financing, such as floor stock loans, and retail financing, or customer contracts, is involved. In some cases, both direct and indirect financing of the same types of specialties is offered and loans for a particular purpose may originate with the customer or a dealer.

For example, my bank operates a Universal Shoppers Charge Account Plan. Briefly, we have set up a central charge account department which serves some hundreds of merchants and thousands of customers. We provide the merchant, or service man, or professional man who joins our plan, with everything he needs to offer charge and budget credit to his customers on an "open credit" basis—applications, charge sale books, advertising signs and pamphlets, point-of-sale displays, and directories of merchant members. Customers may apply at our banks for a Shoppers Universal Charge Account or at any of our merchants. In either case, we make the credit investigation and, if approved, send the customer our charge plate, good at any of our member stores. When a sale is made, the merchant writes it up on our charge ticket form, has customer sign, approves it on basis of charge plate or a quick phone authorization call to us and gives customer the merchandise.

The merchant next assigns the sales check to us, by endorsement. We credit his bank account for the balance on the sale less our service charge. He can draw against the deposit whenever he so desires.

We bill all customers monthly on a cycle basis. If customer pays statement balance before next billing date, she pays no service charge. If she prefers, she can pay a minimum amount, based on statement balance, and shown as a specific figure on the statement. On the portion of the balance which is deferred, we add one cent service charge for each dollar deferred. As balance goes up or down, the minimum payment goes up or down, above \$10.00.

If the customer does not pay, it is up to us to follow up the account.

If we fail to collect, the loss is ours. In other words, it is a non-recourse plan which gives the dealer the benefits of operating a cash business and simultaneously gives him the tremendous sales tool provided by the most modern of charge accounts. No notes, wage assignments or other types of security documents are used with this plan. Presently, charge plans are provided by over 50 other banks across the country, including a District 1 N.R.C.A. member, The Norfolk County Bank at Quincy.

We have, for years, financed auto dealers. We "floor plan" several, which means that when they order cars from the factory, the factory bills us for the cost of the cars which are shipped to the dealer. We pay the sight draft attached to the bill. The dealer gives us trust receipts, or other instruments, showing our lien on the cars. As he sells them, or within a specified time even if some are unsold, the dealer repays us the money we paid to the factory. The conditional sales contracts, generated by the sale of the cars to consumers, whose credit we approve, are bought by us on a non-recourse basis. In effect, we finance the same car twice—once for the dealer's stock and then for the consumer.

We do the same kind of "consecutive" financing for mobile home and pleasure boating equipment dealers. Our experience with all has been very satisfactory. We have also considered financing floor stocks of furniture, appliances and pianos and organs, but have held off pending more information on handling costs. Some appliance manufacturers are willing to guarantee floor plan credit we might extend to their dealers. We do buy dealer sales contracts, on a non-recourse basis, for furniture, appliances, musical instruments, radios, T.V.'s and various other medium to large ticket items. Home improvement contracts are bought on both FHA and our own plans.

Some banks are now financing the payment of dental bills. In one case I know of, it is on a recourse basis. In another, in Denver, it is on a non-recourse basis. This is an ordinary instalment note type of financing.

Along the same line, a few banks provide, in effect, a pro-rating plan for debt payment. The debtor, sent to the bank by a creditor or credit bureau, signs a note for his total debts. Each merchant endorses, with recourse, for his share of the total and gets his money right then. In

case of debtor's default, the balance is pro-rated and paid off by the merchants. It provides a debt adjustment plan, at legitimate rates, through a reliable source, for sincere debtors.

All the dealer plans mentioned, so far, operate with the customer's full knowledge that the bank is the creditor and that payments must be made to the bank, usually accompanied by the bank's own payment coupons. The bank does all investigating and collecting. The dealer needs no credit office set-up. In addition to such plans, we and other banks do some financing of contracts, originated by reliable and well established dealers, on a non-notification basis. On these plans, we buy the contract from the dealer, after we have approved the credit. We send the customer a "thank you" letter on the dealer's stationery, and enclose a coupon book showing only the dealer's name. The customer pays at dealer's store and store forwards payments to us daily. If customer is late in paying, we mail late notices bearing dealer's name. If default continues, we send letter, or dealer letterhead, saying he must turn account over to collection agency under his financing agreement with the bank. Our regular collection service then takes over from that point. The dealer needs no credit office—just a cashier. These plans, also, are non-recourse in our banks. They generate a little more traffic in the store with payments, but in these days of low-cost checking accounts and auto traffic and parking problems, this factor is much less important than when I was in retailing some years back.

Indirect Financing

The final type of indirect financing is usually referred to as accounts receivable financing. At one time, use of such a plan was considered to reflect somewhat unfavorably on the dealer. Now, it is used by many of the biggest retailers, particularly department stores. With Universal, flexible, option, revolving and budget charge plans largely replacing the so-called 30-day charge, the money tied up in customer accounts is quite often greater than that in inventory. Stores with their own credit operations are forced into the field of financing. Quite properly, many are transferring this function to financial institutions.

Briefly, established dealers who have records as successful operators of credit sales departments, enter

into an agreement, with the bank, which specifically sets forth the rules governing the arrangement. Typically, the merchant agrees to assign to the bank his title to all customer accounts in the category to be financed. The ledger cards and customer payment agreements are marked to indicate the accounts are owned by the bank. Sometimes, the payment agreements are kept on bank premises, sometimes on store premises. Sometimes the sales slips are turned over to the bank, sometimes held by the store. The total balance due on the accounts is determined. From this is deducted the balances on past-due accounts. The bank will credit the dealer bank account for a fixed percentage, say 75 per cent, of the current balance total. The dealer reports and remits all collections to the bank each day. These are credited against the loan. New sales are sometimes reported daily, sometimes less often, and new advances made on them. At regular periods, usually monthly, the dealers' loan account is reconciled and he pays the financing charge based on the average daily loan balance for the period. At the same time, he pays off accounts, formerly current, which have since reached the specified stage of delinquency, or they are set off against new receivables then being submitted. In the past, and still in many cases, there was a physical transfer of the media, representing the accounts, between the dealer and bank. This was a relatively risk-free, but cumbersome and expensive arrangement. In our case, we have used microfilm records extensively and satisfactorily.

In receivable financing, we prefer a dealer recourse plan. Our auditors are authorized to check dealer records relating to the accounts, and "audit company" letters are sent customers on an irregular cycle basis for balance comparisons.

The finance charge paid by the dealer on such plans may run as low as the prime bank rate, for prime rated dealers, to one per cent per month or more for the smaller corporation with a less attractive statement picture.

I hope I have indicated to some of you possible approaches to, or new ideas for, financing of consumer purchases. I believe firmly in the tremendous value of consumer credit, intelligently extended, as a force for progress in our national economy. When I can contribute even in a small way to such progress it is a pleasure to do so. ★★★

Opportunity Unlimited

GEORGE W. DOWDY

*Executive Vice President and General Manager, Belk Brothers Company
Charlotte, North Carolina*

President, National Retail Merchants Association

I WAS MOST pleased to receive the invitation to talk to you because it is my conviction that you represent one of the most important phases of our present day economy. Perhaps no one thing has done so much to raise our standards of living, permit our factories to reach mass production, and our stores to secure and maintain their present volume of business, as has consumer credit. My remarks are going to reflect top management's point of view rather than the technical point of view.

If my goals are too high, please excuse me, for perhaps that is always one of the failings of those in my position. If some of my views differ from yours, maybe they will serve to promote your thoughts and cause you to explore a new avenue of approach. If they add in any way to the general cause of good credit, I will be most happy.

The first thought I wish to leave with you is the importance of your position and the medium of distribution that you control. You have every right to be proud of your connection with this powerful, all important force that has done so much to enrich the lives of our people. I am sure that every intelligent representative of top management is aware of the vital role that consumer credit plays in our economy. We cannot fail to recognize the fact that through its use we in America have reached heights undreamed of in other nations. By its use our workers have been able to enjoy the products of their skill—the fruits of their labors. It has placed in the home every type of modern convenience that we in America now consider commonplace, but which in other parts of the world are restricted to the favored few.

It is true that the ingenuity and skill of our manufacturers who produce the great quantity of goods have done their part in bringing about the creation of what we term the American standard. They have met the challenge of increased production and improved products. And the selling force has also done an excellent job of presenting these products, of creating markets and of moving the vast quantities of goods that our plants have turned out.

But back of both is the vital, dynamic force that has enabled us to accomplish this modern miracle. It is consumer credit that has done so much to bridge the gap between the producer and consumer, to support the structure over which those materials must pass to reach their ultimate goal. It is this system that permits the

public to purchase the things they desire and need on a plan of payment that is within their budget—that allows the consumer to enjoy their use while he pays—that provides a plan for saving by increasing his material worth with regular weekly or monthly payments. It is the most potent sales force in effect today.

To any who are naive enough to argue that credit is a convenience, a service we give our customers, to any who doubt its importance we need only direct their attention to other lands and other nations where this system is either in its infancy or is far behind the American way. As consumer credit lags so does the standard of living and the general prosperity of the people. For its action is like the stone thrown into the calm, still waters of a pool. Its ripples continue out and out to the farthest shore. Credit has the same effect. It moves more goods, creates new markets, which in turn provide new jobs, more sales, more profits which in their turn again create more sales.

My second thought is this: If your duties are to manage—then I feel we have every right to expect you to do just that.

Now in our store we have two rules that we do not permit to be broken. One is, "Under no circumstances is anyone except the Credit Department to open accounts, set terms or extend credit." The other is, "Under no circumstances is the credit manager permitted to buy merchandise."

We feel both these rules are reasonable. We just do not feel that others in our organization are qualified by either training or experience to handle this important phase of our operation.

But this is only a part of our reasoning. It is our opinion that in the field of credit we cannot have divided authority. If the credit manager is to be held responsible for the functions for the credit part of our business (and I certainly think he should) then I feel he should not be hampered by other branches of our business, either in accepting or rejecting credit, approving terms or setting policy.

I feel there is a good reason for this. No credit manager can feel free to fill his position if he is constantly exposed to having his decisions questioned, appealed or over-ridden by others in the organization. If he is to be credit manager then he must be allowed to manage credit.

In this connection, I feel strong that in the organizational structure he should be directly under and report to top management itself. Certainly the importance of credit is such that its functions and policies should not be delegated by management to some go-between nor should the credit department be placed in a position subordinate to another department that might lack the skills and knowledge necessary to handle the intricate problems of modern credit.

Now if top management, realizing the facts I have mentioned, is to have direct supervision, what should

MR. DOWDY gave this address at the twenty-fifth anniversary Credit Management Division Conference of the National Retail Merchants Association, Bellevue-Stratford Hotel, Philadelphia, Pennsylvania, April 23, 1958.

they expect from the credit department? First, I think that they should recognize the close personal contact that you have with the customer, and recognizing this they should expect you to use this contact to create a friendly atmosphere that will bind the customer to the store, not merely as a customer but as a friend—as one who will go out and sing our praises as the kind of an establishment where it is a pleasure to shop. I feel that the credit manager should cultivate and pass on to each one in his department the art of making people feel welcome, feel at home, of being important and of being wanted. I think we have the right to expect him to be, and to select subordinates who like people and are interested in their problems. An opening interview that in a cold, brief, concise way secures the necessary information from a prospective customer may be the efficient way to accomplish the job. But I feel that I have the right to expect more than efficiency. The silent interviewer is efficient, but it cannot compare with a pleasant smile, a hearty welcome that can do so much to sell the customer on the idea that this is the store where she wants to do her shopping.

But selling is not the only thing. I feel we have a right to expect you to use your knowledge and experience to guide the customer along the lines of sound credit even if it means actual loss of an immediate sale. For while the sale is important I always liked Brownie Carslake of the Firestone organization's definition of salesmanship as "The art of so demonstrating the merits of my product and the service of my house that a permanent customer is made."

I expect in each new contact that you endeavor to create this "permanent customer" idea and in each subsequent contact to bind them even closer to the store. It may take more time, cost more money—but just think of the thousands of accounts you have sold through the years that started with that "one first contact," and possibly of many who could have been good customers and were lost by a bad first impression.

Many of you are unable to maintain personal contact with your customers, but you can make sure that those who do are properly selected, carefully trained and that they treat the customer as you would have them do.

Credit Policy Necessary

Second, I think you should have a policy. Let it be as tight as a drum or as loose as ashes but let it be a definite plan for the extension of credit and for the collection of accounts. What that policy should be is for you and your management to decide. It would be foolish to try and set up a uniform plan for all stores because all stores are not alike. But I feel that management should expect you to analyze your own operation and adopt a policy that would best suit you. I feel that it should be approached from a sales point of view rather than seeing how little you can lose.

Naturally, no one wants to put bad accounts on one's books. They cost money to collect and often end up in the profit and loss account. On the other hand I feel you would be foolish to adopt a policy that was too conservative. I should not, for example, have you sit like a man riding shotgun on the accounts receivables, and at the same time expect you to create more and more new sales. We would not expect a high style department to operate with a minimum of inventory, practically no markdowns, and still get maximum results. Neither should we expect you to. The credit department should be judged by the over-all results it provides for the store and not by the best showing on a statistical chart.

How you collect in my opinion is as important as how

you sell. Collections are as necessary as sales. We are all aware that a poor, inefficient collection follow-up can have an adverse effect on both sales and ultimate losses. On the other hand, a procedure that is too harsh, too rigid can create a feeling among your customers that is not conducive to sales and good will. I like to think that our credit department is human, willing to work with our customers, to cooperate with them in time of trouble. This friendly and sympathetic approach certainly gets better over-all results than the Shylock method of demanding a pound of flesh.

Recently it was reported to me that at a Junior League Meeting a young matron said "My husband told me never to buy anywhere but Belk's—because they understand people and if they get behind, work with them." To me, that was better advertising than a double spread in the newspaper.

Mail Bills Promptly

Naturally, we expect you to handle the many other duties that come under your supervision with the efficiency that is essential to a good operation. Get your bills out promptly, handle the adjustments in a satisfactory way, turn down bad accounts in a diplomatic manner. Keep your operation within a reasonable budget. Promote new business, reactivate old accounts, build better and better public relations for the store.

I realize that is a lot to expect. Now if top management is to expect these things they must be sure of one thing. That the person selected to head the credit department must have the abilities and qualifications to accept and properly handle the responsibilities. What should these be, and where can they be found?

Some years ago the personnel manager of one of the stores in our group wrote our Henry Alexander, asking him to outline the qualifications of a credit manager. Henry was probably loafing a little that day, so instead of a straight reply, he wrote out and sent the following verse. Perhaps it explains what we expect of a credit manager.

Memo to a Personnel Director

So you are looking for a credit man
And you are anxious to get the best one you can.
One who can manage, one who can sell,
Who can handle the job, and handle it well.
Well, here's what you look for—here's what you need
An unusual guy, a real special breed.
Who is capable, competent, honest all day
And willing to work for the salary you'll pay.
One calm and serene, when the going is rough,
Who can really be firm without getting tough.
Who can soothe the customer whose feelings are ruffled,
And weep copious tears with the one who is troubled.
Who can study the trends, keep an ear to the ground,
And search out a skip like a well-trained bloodhound.
Who can follow your accounts, and get in the cash
And really be liberal without being rash.
Practice human relations that help sell your store
Yet turn down the bad ones and not make them sore.
Diplomat, counselor, and financial guide,
Gracious and charming with a smile a mile wide.
That's what you want, that's what you need.
Remember, I told you, they're a real special breed.

Now, where is management to find such a paragon of virtue—such a blend of diplomatic genius, financial wizardry, super salesmanship combined with the necessary touch of toughness that is essential to success in this field. I think we might as well recognize the fact that you cannot just go out and shake a tree and expect him to fall out—trained, equipped and ready to go. We would not take an automobile salesman, a bank clerk, a bookkeeper into our organization and put him in charge of

(Turn to "Opportunity," page 27.)

CREDIT FLASHES

Annual Meeting at Philadelphia

At the annual meeting of the Philadelphia Credit Managers Association, Philadelphia, Pennsylvania, the following officers and directors were elected: President, Guenter Borg, Gimbels; Vice President, John O'Brien, Philadelphia National Bank; Treasurer, Charles W. Gray, Hardwick & Magee; Secretary, George C. Whittam, Philadelphia Credit Bureau; and Assistant Secretary, Bernard D. Bodoff, Philadelphia Credit Bureau. Directors: James Burke, Snellenburgs; Harry A. Christopher, Charles David, Inc.; John H. Dempster, Quaker City Federal Savings & Loan; Daisy Hilbronner, The Blum Store; Margaret Everman, Geutings, Inc.; Samuel Kind, S. Kink & Sons; Louis Krensel, Lit Brothers; Nicholas Lauletta, Blauner's; Frank M. Layton, Strawbridge & Clothier; Alex C. McClelland, *Philadelphia Inquirer*; James McDonough, F. C. Haab Company; Richard J. Miller, Pennsylvania Consumer Finance Association; J. Paul O'Donnell, Dewees; John A. Sears, Providence Tradesmen Bank & Trust Company; Charles F. Sheldon, Philadelphia Credit Bureau; William Stockton, Atlantic Refining Company; J. Stanley Thomas, Credit Men's Association of Eastern Pennsylvania; and Jack Zitzer, Herman Clothing Company.

The art work used in the advertising mat on page two of this issue of *The CREDIT WORLD* was adapted from a recent poster that was used in car card advertising by the Philadelphia Retail Credit Managers Association and the Philadelphia Credit Bureau. It was used in connection with the 1958 National Retail Credit Week.

Institute Proceedings Available

The proceedings of the Southern Institute of Clinic Managers held at the University of Oklahoma, Norman, Oklahoma, March 20-22, 1958, have been published in book form. The Institute was sponsored by the National Association of Clinic Managers and approved by the American College of Clinic Managers. The National Retail Credit Association cooperated in presenting the Institute. This book forms a valuable record of modern credit procedure in the clinic and hospital field. Those interested in obtaining a copy may do so by sending \$10.00 to Wilson D. Steen, Extension Division, University of Oklahoma, Norman, Oklahoma.

Charleston, South Carolina

The Charleston Credit Managers' Association, Charleston, South Carolina, recently held its annual meeting and elected the following officers to serve for the coming year: President, Louis Lesser, Lesser-Tanenbaum Clothing Store; First Vice President, H. J. Almers, South Carolina National Bank; Second Vice President, K. J. Gillam, ABC Awning & Venetian Blind Corporation; and Secretary-Treasurer, Francis J. Oliver, Credit Bureau of Greater Charleston.

Position Wanted

CREDIT MANAGER. Department and specialty store credit and collection experience. Have supervised cycle billing and revolving credit. Accounting experience. Prefer southern states but will locate anywhere. Available at once. Résumé on request. Box 7582, *The CREDIT WORLD*.

Texas Honors Scott Award Nominees

In 1956, the Board of Directors of the Retail Credit Executives of Texas (which comprises the Eighth District of the National Retail Credit Association) decided to pay tribute to the Scott Award nominees from Texas. After consulting the leading plaque makers of America, a gold medallion especially cast and embedded in a block of clear lucite was selected. At the annual meeting in Brownsville, April 15, 1958, these awards were presented to Edward Schreiber, Wimberley C. Goodman, and John R. Clark who were nominated in the year 1956 and to Dean Ashby and A. J. Carnesi who were the nominees in 1957.

Montgomery Ward Appoints E. J. Reilly

Appointment of Edward J. Reilly as general credit manager of Montgomery Ward & Co. has been announced by Howard S. Kambestad, vice president and treasurer. Kambestad said Reilly will be responsible for the development and administration of the company's credit policy. Since 1949 Reilly has been associated with Beneficial Finance Corporation, where for the past year he has served as director of sales finance. Citing Reilly's wide experience in developing consumer credit plans for major corporations, Kambestad said the appointment "reflects the increased importance Wards attaches to its credit business."

Santa Barbara, California

The Retail Credit Association of Santa Barbara, Santa Barbara, California, has elected the following officers and directors for 1958: President, Douglas O. Vickery, Security First National Bank; Vice President, R. J. Irvin, Seaside Oil Company; and Secretary-Treasurer, John P. Franklin, The Credit Bureau. Directors: Rodney Lamb, Cottage Hospital; James Van Etta, Lincoln-Mercury; Fred J. Slavin, M. Fredericks; Robert McIntyre, Schauer, Ryon, McIntyre and Morrison; and Jack Fitch, Southern California Edison Company.

Hess Brothers Promotes R. J. Hertz

Roy J. Hertz, Credit Manager of Hess Brothers, Allentown, Pa. department store, was elected a member of the firm at a special meeting of the board of directors, it was announced by Max Hess, the store's president. Mr. Hess termed Hertz's election as a reaffirmation of Hess Brothers' philosophy of developing leaders from within the organization to carry on the policies established when the store was founded 60 years ago. Hertz joined Hess Brothers as a major appliance salesman 12 years ago. During the course of his retail executive training he worked in the advertising department and was a buyer of men's furnishings.

For Sale

CREDIT BUREAU in Southern California. Ideal and comfortable income for a couple. Cash or terms. Box 7581, *The CREDIT WORLD*.

Quincy Association Makes Progress

In May 1957, a group of prominent credit men and women on the South Shore got together with the officers of the Quincy Credit Bureau to discuss the possibilities of forming a Retail Credit Association in this area, as it was believed that there was a definite need for such an organization to promote meetings, promotional programs and educational programs for the betterment of retail credit.

On August 1, 1957, after several months of preparation, the first monthly meeting of the Retail Credit Association of the South Shore was held at the Winfield House in Quincy, Massachusetts. The first officers of this newly formed organization were:

President, Mahlon A. Cook, Credit Manager, Remick Company; Vice President, Ebba E. Monk, Manager Norfolk County Charge Plan, Norfolk County Trust; Treasurer, Elinor V. Sullivan, Credit Manager, Quincy Coal & Oil Company; Secretary, Richard A. Shaw, Credit Bureau of Quincy.

There were 21 charter members, all of whom had a sincere interest in making this a successful Retail Credit Association.

From the first meeting of the Association, through the annual meeting held in May 1958, we have held regular monthly dinner meetings, each one having an important and interesting program for the purpose of betterment of retail credit. Our guest speakers have been such prominent people as The Honorable Massachusetts Senate Floor Leader Charles Hedges, who spoke on "Credit Legislation in Massachusetts"; Alexander Harding, Credit Manager of John H. Prays, Boston, and Director District No. 1, N.R.C.A., who spoke on "Credit Trends on a National Level"; John J. Canavan, Sr., General Manager, Credit Bureau of Greater Boston, and Secretary, Retail Credit Association of Boston, who spoke on "Installment Credit Today and How It Has Progressed." In addition to other prominent speakers, we have had the motion picture "The Good Things In Life," several panel discussions on credit and collections, and all in all over the past year we have had very interesting and active meetings. Our current membership now stands at 35, and we believe that this will be greatly increased within the next year.

In February 1958, the Board of Directors of the Retail Credit Association of the South Shore met for a purpose of promoting "National Retail Credit Week" on the South Shore and in Massachusetts. There was a keen interest stimulated in this program. Our first part of this program was to obtain a proclamation by the Governor of the Commonwealth, Foster Furcolo. The next part was a fifteen minute speech on the National Retail Credit Association and Retail Credit Association of the South Shore and Quincy Credit Bureau on our local radio station WJDJ, Quincy, Massachusetts, by the secretary of our association. Three other speeches were made during this week at various civic organization meetings, such as Rotary and Kiwanis clubs.

What we consider our biggest tribute to the National Retail Credit Week was that our Association sponsored a "Consumer Credit Seminar" which ran for six weeks, one night a week from 7:00 to 9:00 p.m., and the instructors of this school were made up of some of the most important credit people on the South Shore. The reason for this school was that we wanted to educate the people attending on a national level, but pay particular attention to the local problems. On June 4, 1958, at the Graduation Dinner of this Seminar, 71 diplomas for the Credit School were given out. The guest speaker



"Recently we sponsored the Public Relations in Business course conducted by S. H. Womack which was attended by 95 students. This was definitely the best course we have ever sponsored in Ottawa and we are proud and pleased to have been the first to sponsor this course. I feel certain that other Credit Bureaus in Canada will avail themselves of such an excellent opportunity for good publicity by arranging to sponsor this course."—A. D. Sinclair, Manager, Credit Bureau of Ottawa-Hull, Ottawa, Ontario, Canada.

"I want to express my appreciation for the certificate of life membership in the National Retail Credit Association. I cherish the memories of the many pleasant meetings I had while active in the Tulsa Credit Association and the Seventh District as well as the National conferences."—Herbert R. Stuart, 1227 South Delaware Place, Tulsa, Oklahoma.

"A copy of the April, 1958 CREDIT WORLD dedicated to the City of Cincinnati has been handed to me by Allison P. Koelling. We are gratified not only by the accomplishments of the Credit Bureau but by publication of the factual description of our city by Douglas K. Fuller and the pleasing history of the credit bureau. The high position our city holds is due in no small measure to our business and service organizations of which the Bureau is more than a typical example. On behalf of the City administration our thanks are offered to all concerned for this heart-warming tribute which we are sure will make an appreciable contribution to Cincinnati's Fame."—C. A. Harrell, City Manager, Cincinnati, Ohio.

"I would like to congratulate you on the arrangement of the articles and illustrations in the May CREDIT WORLD. We in Boston are quiet proud of this issue."—William J. Kirby, Credit Manager, Gilchrist's, Boston, Massachusetts.

"Congratulations on a nice job in presenting the story of 'Boston of Tomorrow' and all the contents in the May CREDIT WORLD. All here in Boston agree that a fine job was done and I want to express my personal thanks and appreciation."—Alexander Harding, Credit Manager, Pray's, Boston, Massachusetts.

"I was favorably impressed with the physical appearance of the National Office on my recent visit to St. Louis. Also, the layout and arrangement of offices and working space and efficient and quiet dignity which prevailed throughout, is outstanding. The headquarters are a credit to our organization and a tribute to your foresight and planning. I wish every member could have the privilege of visiting 375 Jackson Avenue."—H. L. Bunker, Capwell's, Oakland, California, Past President, National Retail Credit Association.

was Albert MacDonald, Credit Manager, Filene's of Boston.

The 37th Annual Conference of the Retail Credit Grantors of New England and Eastern Canada met at the New Ocean House on May 18, 1958, the Retail Credit Association of the South Shore felt that this would be a good time to show other credit people outside of our area what can be accomplished with an active association. As a result, the Board of Directors appropriated sufficient funds to send a delegate and set up a hospitality room at this meeting for the purpose of emphasizing an active local association and more cooperation between local associations.—Richard A. Shaw, Secretary, Retail Credit Association of the South Shore, Quincy, Massachusetts.

CREDIT DEPARTMENT

Letters

LEONARD BERRY

THE MOST IMPORTANT part of a business letter is the person writing it. And the most important part of that person is his mind. Successful business letters have their beginnings in someone's mind. That person must have good ideas of himself, of his reader, of his employer and of the purpose of the letter.

Collection correspondents particularly must fight a constant battle against the corroding and eroding forces of negative thinking. Dealing, as they must, with people who seem to lack any sense of responsibility toward obligations and who have developed shock-proof defenses against friendly appeals and even threats, it is understandable that emotions of anger, cynicism, punishment and even hate, tend to come to the surface. When that happens, the writer is tempted to use harsh, abrasive words as: fail, delinquent, dissatisfied, disappointed, complaint, allege, assert, and the like.

Such words build barriers of resistance in the reader's mind and stiffen his resolve *not* to do whatever it is you are suggesting. Since most collections are brought about by persuasion, the objective of the collector should be to melt barriers, not build them.

Those negative thoughts of anger and punishment must be overcome by positive thoughts of composure, cheerfulness and confidence. The mood of the writer will largely determine the response of the reader. A letter written in negative, pessimistic and angry tones will almost invariably produce a like reaction. On the other hand, a letter written in cheerful, constructive and confidence-restoring tones will often dissolve resistance.

Successful business letters rest on a solid bedrock of persuasion. Every business letter must both *tell* and *sell*. To sell, the writer must appeal to the reader's wants and needs. That means putting the reader in the center of the picture. It means development of a genuine willingness to help solve his problems.

Express your friendly attitudes in words people like. Successful, satisfied, confident, cooperative, benefit, pleasure and privilege . . . these are smooth, velvety words, words with pleasant connotations, words that stimulate favorable emotional reactions. Researchers have found that the words most used in radio commercials are: You, good, wonderful, better, fine, best and effective.

Ask yourself: Who is this person I am writing to? If possible, try to visualize a real person. Find out all that can be found out about him. Go back to the original application for credit. Read what the credit bureau reports about him. Study your own records of past dealings with him. Now you have a *person* . . . not merely a number or troublesome account.

Next, analyze the situation about which you are writing. Turn it around so you see it through *his* eyes. Does the situation represent a problem to him to which he is seeking a solution? If so, present your solution to his problem. This is the helpful, constructive method. Blam-

ing or upbraiding him won't accomplish anything except to add fuel to the flame of his resentment and confusion. Showing him practical solutions to the problem will encourage him to do something toward getting out of his predicament.

Decide how you are going to present your solution to his problem. Instead of writing in a pompous and formal style, talk to him as you would if he were sitting at your desk. Use simple, clear, warm words. Words he is likely to understand without groping for your meaning. So often in business letters we use trade words . . . words that mean something to us but mean nothing to the reader. Instead of cluttering up the letter with mummified, stereotyped phrases and sentences which have been used by generations of bored collection correspondents, try for the friendly, sincere, person-to-person tones.

These principles apply to all kinds of business letters, from all kinds of businesses and to all kinds of people. Letters are written to people. People have dreams, desires and needs. Pitch your appeals to those and you glide through wide open doors to the hearts of your readers. And, decisions are made from the heart far more often than they are from the brain.

All our illustrations this month are from stores and firms in Schenectady, New York, the city honored in this issue of *The CREDIT WORLD*. Thank you, Schenectady.

This Month's Illustrations



Illustration No. 1. Here is a sparkingly original mailing piece. It is a clever variant of the time-honored "half-way" letter in which the inactive account customer is invited to "tell her tale" of why the inactivity. Sales opportunities abound in inactive account files. It is rewarding to exploit them.

Illustration No. 2. A collection letter of the "stern" variety. Clearly, this debtor has resisted several appeals for payment and now must show reason why more drastic action should not be taken. There comes a time in collections when a "show down" with the debtor becomes necessary.

Illustration No. 3. A printed collection notice reminding the mortgagee of a missing payment. The expressive little sketch takes away the somewhat heavy formality usual in such notices. A light touch often gets the debtor smiling!

Illustration No. 4. The problem of getting the customer to come in to discuss an over-loaded budget account is nicely handled in this friendly and cooperative printed notice.

Illustration No. 5. Here we show two printed collection notices. Both are designed for quick and easy fill-in of the customer's name and address. With the universal necessity of reducing expenses, credit executives should examine every form being used and perhaps substitute with a cheaper and simpler device.

THE TALE OF TWO STORES

"Two adaptations in Charles Dickens"

1

HERE is a man in our town
And he is wondrous wise.
He knows each patron of his store
And when and what each buys.

We, too, are looking up our files
Of friends who shop our store
To ascertain if each is buying
As in the days of yore.

Today we found your name among
The ones who've missed our place.
This is cause for some concern,
For we have missed your face.

Our tale is told—we now await
To hear the reason why.
For in our store are many things
We hope you'll want to buy.

THE WALLACE CO.
SCHENECTADY, N. Y.

WITH APOLOGIES TO NO ONE, I MAKE THIS REPLY

my
reply

SIGNED _____

ADDRESS _____

PHONE _____

THE CARL CO.

DEPARTMENT STORE

SCHENECTADY, NEW YORK
LOCKPORT, NEW YORK

FOUR THIRTY SIX STREET
SCHENECTADY, NEW YORK

2

We cannot understand your failure to respond to our previous letters regarding your past due account amounting to \$

While we wish to show every consideration in the collection of our accounts, we feel that this account has been badly neglected. If there is any reason why you are withholding payment, won't you advise us now so that we may make any necessary adjustments.

Unless we hear from you within a week, we shall find it necessary to take action toward the collection of this account.

Very truly yours,
THE CARL COMPANY

F. P. Dockendorf
Director of Accounts

NEW YORK OFFICE: 25 WEST FORTY-FOURTH STREET

YOUR
Payment
wasn't
there!



3

YOUR MORTGAGE PAYMENT HAS BEEN DELINQUENT SINCE THE FIRST DAY OF THE MONTH.
YOUR PAYMENT IS DUE ON OR BEFORE THE FIRST DAY OF EACH MONTH.
MAKE YOUR PAYMENTS ON TIME - AND AVOID THE PENALTY CHARGE!

PHONE:
FR 4-3141

THE SCHENECTADY SAVINGS BANK
CHARTERED 1834
SCHENECTADY, NEW YORK



May we suggest



you call at this office before making additional purchases on your C.S.A. account — that is, if you find it impossible to clear up this delinquent balance at this time. It is quite possible we may be able to assist you with our problem.

CREDIT DEPARTMENT.

4

PLEASE REMEMBER: YOUR PAYMENT HAS BEEN MADE

Wallace's

\$ ACCOUNT OVERDUE
\$ PAYMENT DUE
\$ TOTAL AMOUNT DUE



What Seems To Be The Trouble ?195...

Any error in this account - any good reason for non-payment? If there is please advise us. If there isn't may we have your check today? The amount due.....

5



A Term We Most Freely Dislike

...but you leave us no alternative. We ask that you make an immediate effort to pay this account - otherwise we must proceed to protect ourselves from loss. The deadline is 10 days - the amount \$.....

LOCAL ASSOCIATION *Activities*



San Bernardino, California

The new officers and directors of the Credit Personnel Association, San Bernardino, California, are as follows: President, Rex Hornibrook, Hornibrook's Furniture Company; Vice President, Chet Mero, Coulter's; Secretary, Joanne Dulys, American National Bank; and Treasurer, Ken Gray, Security-First National Bank. Directors: Earl Ringness, First Thrift of California; Marieanne Kazelkas, Foreman & Clark; Everett Westervelt, Westervelt's Furniture Company; Clarence Harlow, Harlow's Appliances; and Robert Schneider, The Harris Company.

Chattanooga, Tennessee

At the annual meeting of the Retail Credit Men's Association, Chattanooga, Tennessee, the following officers and directors were elected: President, Reed F. Turner, Sewanee Coal & Supply Company; Vice President, D. B. Harris, Jr., Hamilton National Bank; Secretary-Treasurer, George B. Lundy, Credit Bureau of Chattanooga. Directors: R. B. Brotbeck, Miller Bros. Co.; N. R. Burger, A. Fassnacht & Sons; Walter P. Coppedge, American National Bank & Trust Company; E. R. Cullis, Electric Power Board of Chattanooga; Mrs. Jo Hubbard, Sterchi Bros. Stores; Leslie L. Hudson, Johnson Tire Company; W. T. Hutson, Gilman Paint Company; Jack Emmert, Loveman's; Kenneth McLeMore, Hajoca Corporation; Stella Murphy, Citizens Savings & Loan Corporation; Hubert A. Pless, Jr., First Trust Company; W. M. Richards, Erlanger Hospital; and Mrs. Inez McGaughey, Pickett's.

New Officers at St. Petersburg

At the annual meeting of the Associated Retail Credit Granters of St. Petersburg, St. Petersburg, Florida, the following officers and directors were elected: President, Frank Wilson, First Federal Savings & Loan Association; Vice President, Kay Metz, First National Bank; Treasurer, Jerry Johnstone, Spauldings Feed Company; and Secretary, Alec Peterson, Credit Bureau of St. Petersburg. Directors: Boyce Presnell, Pinellas Lumber Company; Benjamin Kornfeld, Sierkese Department Store; Velma O'Neal, Gary Walsh Motors; and Ruth Armstrong, Office Supply Company.

Shown in the picture below, left to right, are: Alec Peterson, Edwin Frizen, Immediate Past President; Frank Wilson; Kay Metz; and Jerry Johnstone.



Grand Forks, North Dakota

At the organizational meeting of the Retail Credit Association of Greater Grand Forks, Grand Forks, North Dakota, the following officers and directors were elected: President, Eugene Johnson, Grand Forks Clinic; Vice President, Arnold Braaten, Red River National Bank; and Secretary-Treasurer, Norbert A. Magnusson, Collection Bureau of Greater Grand Forks. Directors: Donald Gust, Ford Motor Company; Reed Melicher, Grand Forks Glass & Paint Company; Vernon Wavra, Sears, Roebuck & Company; Jerry Schmeling, H. H. Herberger Company; and Vernon Morken, Credit Bureau of Greater Grand Forks.

Miami, Florida

At the annual meeting of the Greater Miami Credit Association, Miami, Florida, the following officers and directors were elected: President, Alexander De Marco, Family Finance Service; First Vice President, David W. Cook, Hartley's; Second Vice President, John Witty, Shaw Bros. Oil Company; Third Vice President, John Lurz, Jordan Marsh; Treasurer, Frank Phillips, Dade National Bank of Miami; and Secretary, James C. Herren, Credit Bureau of Miami. Directors: James H. Callahan, Rader and Associates; William H. Hearne, Bureau of Credit Administration; Herbert D. Jarvis, Burdine's; Ray T. Mayer, Bank of South Miami; Ben Nelson, Industrial National Bank; Sheldon Nelson, General Tire Company; Floyd F. Pyle, United Bureau of Collections; and Duke Rosenberg, Richards Department Store.

Salem, Oregon

The new officers of the Salem Retail Credit Association, Salem, Oregon, are: President, C. D. Stevens, General Finance; Vice President, Wesley Wilson, Western Security Bank; and Secretary-Treasurer, Charles E. Schmitz, Credit Bureau of Salem. Directors: Ernest W. Reames, Hogg Bros. Furniture & Appliance; Alice Fitzgerald, Dr. Casterline; Gladys Roberts, Miller's Department Store; Delphine Savage, Loder Bros.; Daphne Powers, Little French Shop; Betty Lappin, Bishop's Clothing; M. L. Shepard, West Salem Fuel; Harold Comstock, C & K Lumber; and Lola McFaulane, Allen's Hardware. In addition to becoming President, Steve Stevens also won the "Award of Merit," a plaque awarded by the association every six months and the yearly "Honor Award." Mr. Stevens did an excellent job last year as vice president. The Salem Credit Bureau announced that they will give a \$50.00 savings bond to the winner of the "Honor Award" in 1958.

Promotion for Albert W. Haymon

Albert W. Haymon has been elected assistant vice president of the Installment Loan Department at the Broward National Bank, Fort Lauderdale, Florida. The Bank has been a member of the Broward Retail Credit Association for the past two years and Mr. Haymon is one of the two active representatives for the bank in the Broward Retail Credit Association.



★ Items of Interest From the NATION'S CAPITAL

JOHN F. CLAGETT, Counsel, National Retail Credit Association, Washington, D.C.

Annual Report

Report of Legislative Committee on Its Meeting of May 2, 1958, Statler Hotel, Washington, D. C.: It is believed that this year's annual report might well make reference to, and embrace as its principal content, the full report of the meeting of the Legislative Committee on the meeting of May 2, 1958, as containing the meat of the important activities and accomplishments of Washington Counsel during the past year. The report of the Legislative Committee covers and brings down to date the important subjects dealt with during the year. Thus, reference to this report will avoid repetition of the same subject matter and will serve to save the time and effort of any who may be interested in the full report of the year's activities.

Other Matters—an Over-all Prospective: There are several other matters that may be touched upon briefly: First, your Washington representative has continued his steady perusal and study of many department, bureau and Congressional Committee publications of great variety and numbers, such as annual and special reports, committee hearings, documents, reports, etc. The volume of this material is extremely large and one can only hope to pick out that material which, in his best judgment, is most pertinent to the problems and subjects in which N.R.C.A. is most interested, and to read or scan same, and select and file the most important for possible future reference. This material is drawn upon from time to time in the preparation of the page "Items of Interest From the Nation's Capital."

Along paralleled lines Washington Counsel has studied the weekly publication, "Law Week," and other sources for the latest court and/or administrative rulings on subjects or topics of interest and significance to consumer credit coverage in both the federal and state fields. In this regard there have been recent decisions by Referees in Bankruptcy concerning Chapter XIII (Wage Earners' Plans) problems; decisions of state courts involving terms and conditions of instalment selling, and construction of statutes applicable to instalment selling; statutory enactments and court cases involving debt pooling or debt adjusting; decisions involving the publication of alleged libelous matter in the transmission of credit reports or alleged invasion of privacy in collection situations.

Also the search for and study of administrative rulings or policy decisions on such matters as the recent decision of the Department of Defense to try out, experimentally, the extension of credit at military post exchanges or stores; and research of the latest developments with respect to rulings or policy changes with respect to charging fees for "whereabouts" information.

The above references far from exhaust the field of government information, legal and administrative decisions and rulings, etc., of significance or interest to consumer credit, or the broader aspects of good government

with which our association has been concerned, such as the Hoover recommendations for reorganization of certain functions and agencies of the government. However, they do illustrate the many matters on which Washington Counsel has familiarized himself, in some instances researched in detail, and reported on in one way or another, or on which he has established files of information so as to be posted and ready to serve N.R.C.A. either on an informational or action capacity when the occasion should arise.

Library of Congress—The Credit World: Mention might be made of the fact that, following a conference with the chief of the Periodicals Division of the Library of Congress, your Washington representative was advised that henceforth *The Credit World* will be regularly displayed on the appropriate shelf in the Periodicals Reading Room along with other periodicals in the "Commerce and Finance" field.

Minutes of the Meeting of the Legislative Committee Hotel Statler, Washington, D. C., May 2, 1958

The following were present:

Clarence E. Wolfinger, Chairman, Retired (Lit Brothers, Philadelphia, Pa.); John K. Althaus, The Credit Bureau, Inc., Washington, D. C.; R. L. Bruchey, The Hecht Company, Baltimore, Md.; Earle A. Nirmaier, W. Wilderotter & Co., Newark, N. J.; J. P. Stedehouder, Central Charge Service, Washington, D. C.; Lindley S. Crowder, General Manager-Treasurer, N.R.C.A., St. Louis, Mo.; John F. Clagett, Washington Counsel, N.R.C.A., Washington, D. C.

Guests

Eldon L. Taylor, President, N.R.C.A., Ogden, Utah; Abe Coonin, Wm. Hahn & Company, Washington, D. C.; Frank P. Scott, Retired, Clarendon, Va.; William J. Cheyney, Executive Vice President, National Foundation for Consumer Credit; Daniel A. Prager, Vice President, National Foundation for Consumer Credit; S. E. Collegeman, former Credit Manager, S. Kann & Sons; Hon. Edwin C. Covey, Director, Bankruptcy Division, Administrative Office of the United States Courts; Sherman R. Hill, Esq., Director, Bureau of Investigation, Federal Trade Commission; Donald E. Durick, American Industrial Bankers Association; John C. Hazen, National Retail Merchants Association; Charles Mortensen, Director, Association Department, Chamber of Commerce of the United States; Glenn B. Sanberg, American Society of Association Executives; Harold L. Schilz, Attorney, Federal Housing Administration; Paul L. Selby, Executive Vice President, National Consumer Finance Association; James W. Fauquier, Sales Manager, Hotel Statler.

Clarence B. Wolfinger, Chairman, presided. The reading of the minutes of the previous meeting were dispensed with.

Skip Tracing. There was a general discussion on the subject, which has been a matter of concern for a number of years, and included reference to S. 763 by Langer (R-N.D.), a bill to prohibit use of "federal" names and symbols by skip tracing firms or collection agencies

with intent to deceive. Mr. Crowder referred to recent correspondence concerning an outfit using a Washington address and an official looking "IBM" type card on which the debtor or reference is expected to give information. Mr. Clagett reported that this is the same company against which the Federal Trade Commission had issued a complaint in 1954, and taken a final "cease and desist" order against in June, 1956, prohibiting use of such terms as "Reverification Office," "New Employment Status Questionnaire," "Disbursements Office," and "United States Credit Control Bureau," and/or the picturization of an eagle, or picturization of similar import, to designate respondent's business, indicating directly or by implication that requests for information concerning delinquent debtors are from the United States Government or any agency or branch thereof. However, in spite of the order the same company appears to have continued operations using new forms along with old ones or modified versions thereof. It was observed that the FTC orders lack teeth.

In the meantime S. 763, Senator Langer's bill to prohibit, under criminal penalty, the use of these simulated "federal" names and symbols with intent to deceive is pending before a subcommittee of the Senate Judiciary Committee. The committee staff has gathered materials in the form of a staff study and appears to be well prepared to conduct hearings at any time.

Chapter XIII—Wage Earners' Provisions of the Bankruptcy Act. The principal item under this topic was the brochure on the use and advantages of Chapter XIII which is now in preparation and approaching the final draft stage. Mr. Clagett called attention to the timeliness of the publication of such a booklet in view of the action of the Judicial Conference of the United States at its March, 1958, meeting, at which time it approved certain recommendations of its Bankruptcy Committee in part as follows: "Your Committee is of the opinion that means should be devised to bring about a greater utilization of Chapter XIII (Wage Earners' Plans) in appropriate cases. This means the enlightenment of referees, credit organizations, lawyers and perhaps judges, with respect to the beneficial result that can be obtained by the use of Chapter XIII in appropriate cases."

The N.R.C.A. brochure obviously would be right in line with such means "devised to bring about a greater utilization" of the Chapter—in fact, a forerunner of such means.

It was noted that a bill, H.R. 12115, long advocated by N.R.C.A., had been introduced by Congressman Celler (D-N. Y.), on April 23, 1958, which would eliminate any wage or salary limitation in order to file under Chapter XIII. The bill simply provides that "wage earner" shall mean an individual whose principal income is derived from wages, salary or commissions."

Delinquent Federal Taxes. The so-called "Fourth Annual Report" which was made by Senator John J. Williams (R-Del.) to the Senate on April 17, 1958 (and, of course, published in the *Congressional Record*) was discussed. Four years ago Senator Williams conceived the idea that publicizing the facts about delinquent taxes might tend to cure a bad spot in the Federal Government operation. This year's report showed that the total of all delinquent taxes (the larger portion of which is represented by personal and corporate income taxes) had decreased from \$1.620 billion at the end of 1956 to \$1.505 billion at the end of 1957, or a reduction of seven per cent. However, during the same period delinquencies in employment taxes (income and social security taxes withheld by employers from the pay envelopes of employees) increased from \$279,183,000 to \$300,678,000. Senator Williams emphasized the fact that these em-

ployment taxes withheld from the pay of employees are trust funds and under no circumstances should they be diverted to the employer's use. Senator Williams pointed out that Public Law 321, approved February 11, 1958, establishing more severe penalties for employers who fail to turn these taxes over to the government may help to improve this situation. The Chicago office had "by far the worst showing" of any district during the past twelve months with substantial increases in both employment tax delinquencies (\$32.6 million, total), and of all tax delinquencies (\$81.6 million, total).

It was the sense of the meeting that Mr. Clagett draft a letter to Senator Williams to express the appreciation of N.R.C.A. for his splendid efforts in this matter.

Debt Pooling or Debt Adjusting. This subject was discussed from the overall national picture; also with respect to H.R. 573 by Congressman Broyhill (R-Va.) to prohibit "budget planning" in the District of Columbia. It was felt that there had been a tapering off of the operation of these debt pooling (sometimes called "debt adjusting," "debt counselling" or "budget planning") concerns, generally, as far as the national picture is concerned. This trend appears also to apply in the District of Columbia. As to H.R. 573, which would prohibit altogether any so-called "budget planning" service in the District of Columbia, and impose a criminal penalty for the violation of such prohibition, it was felt that there was lack of proper foundation for the exercise of such sweeping police power in the form of prohibitory legislation coupled with criminal sanction, at least on the basis of any information before the Committee; that, on the information at hand the more sound approach, if any legislation is justified, is a regulatory approach embodying such requirements as licensing, bonding, etc. A resolution was proposed and adopted expressing this conclusion.

Fraudulent Checks and Money Orders—Crime Statistics. As in previous years the FBI in its latest Uniform Crime Reports volume (for annual 1957), showed a continued sharp up-trend of all categories of crime, including passing of forged and fraudulent checks, and shoplifting. It was noted that the Attorney General has asked Congress to expedite passage of certain pending legislation designed to assist in a nationwide drive on organized crime; further, that in a speech to an association of businessmen, "The Advertising Council, Inc.," the Attorney General reported that: "The estimated cost of crime in the United States in one year is about 20 billion dollars."

Hoover Commission. It was agreed that the Hoover Commission has continued to perform a great public service, and that the prospects of establishing the accrued budget principle, recommended by the Commission, and embraced in S. 434 and H.R. 8002, is excellent at this session of Congress. It was felt that N.R.C.A. should give support to this, and also to the Hoover Commission fight for one of its most important recommendations, namely, the reorganization of the Defense Department. It was agreed that N.R.C.A. should continue not only its active interest and support of the Hoover program, but again extend financial support in an amount of from \$100 to \$200 as determined by Mr. Crowder.

Installment Credit Controls. It was agreed that time did not permit a detailed discussion at a meeting confronted with a sizable agenda of important topics such as this meeting; furthermore, there appeared to be no immediate pressing problem. But it was pointed out that the problem of suggested standby controls of consumer credit must be constantly watched. As recently as September of 1957 Senator Joseph C. O'Mahoney, a

our ready-to-wear division. To do so would be dangerous and very probably disastrous. We would realize that a good ready-to-wear man needed a long background of experience and training. We would search first our own organization. If he was not available there, we would look to other firms for a man or woman with the proper training. Certainly, if this is sound in a single division of our business, it is absolutely essential in credit, whose volume is many times the largest department we have. Unfortunately, schools do not turn out credit executives, but we should recognize our need for such training.

I feel that every credit manager should not only be permitted, but compelled to attend at least one credit conference a year. I feel that he should be a member of his local association, and not only attend, but take an active part in its program. I feel that he should be given every opportunity to improve himself, and to keep abreast of current trends in his field. In other words, select the best possible man we can get and then do all we can to help him become better and better.

Progress Made

I am very pleased that the Credit Management Division of the National Retail Merchants Association has done so much in this field. Established in 1934 at the request of the Association's membership, the Credit Management Division has effectively provided a clearing house for the exchange of information pertaining to retail credit management—a forum wherein problems in retail credit management may be presented, discussed, and studied—a basic research in the field of credit—a dissemination of all these materials to its members.

But finding him is one thing. Management has certain responsibilities to the credit manager if they are to secure the maximum results. First he must have tools to work with. The credit department, I am sure you will agree, must have adequate equipment, modern and up-to-date, if they are to give their best to the job. Poor inadequate equipment is at best poor economy.

I feel that he needs a proper staff. Now I am just as opposed to the current trend of increased non-selling

help as the next . . . possibly more so. But I do realize that you can't do your job alone.

You must have a staff large enough to handle the work properly—a staff competent enough to handle it efficiently and intelligently. I feel that in an understaffed, poorly equipped credit department you are saving perhaps in salaries and equipment—and losing more than you save in sales, bad debts and good will.

Necessary Space

I think also your quarters are important. Crowded, cramped space for your clerical staff does nothing to promote good work. Your operation is valuable enough to the store to warrant necessary space.

It is also important that the facilities for interviewing are attractive, private and conducive to creating a good impression on the new customer, or the one who comes in for service of any kind on her account.

The remarkable thing about credit is its unity. When merchants meet they each quite often represent only their own firm. True, they stand together on certain basic principles and issues, but I think the real force and effectiveness of credit springs from the fact that you are all part of one team. Your bureau, your local association, your dependence on one another for the exchange of information, the comradeship you show in your meetings, set you aside as something special.

Your realization that only by cooperation with others can you advance and improve credit is perhaps the secret of the tremendous influence that you have had in our economy and the great success you have achieved in its management. That is what one individual who is classed as management expects of you. I do not think it unreasonable. As a matter of fact, I think it is just a continuation of what you have been doing and what I think you will do even better.

Through the years to come you will strengthen this spirit of cooperation that is so evident in your meeting and will continue to march side by side, shoulder to shoulder toward better credit, better living and a better America. ★★★

member of the Joint Economic Committee, suggested that stand-by instalment credit controls be "revived as an antidote for inflation." The present recession has not stopped the upward thrust of prices in almost every category. Hence, with any appreciable increase of pressure on prices, a new demand for some form of controls is almost certain to occur. Furthermore, as a result of the recent downturn there are many people who believe that the Federal Reserve Board needs more powers in its portfolio than it presently has to combat both inflation and recession.

State Regulations Affecting Instalment Selling. Discussion centered for the most part around a recent decision of the Supreme Court of Arkansas in the case of Sloan vs. Sears, Roebuck and Co. where the Court in an opinion handed down December 23, 1957, reversed a ruling below in favor of Sears. In so doing it held that a sales transaction, payable in monthly instalments, was usurious in that the total "carrying charge" amounted to more than 10 per cent per annum, the maximum amount allowable under the Arkansas Constitution and statutes. It was contended by appellee that the usury laws of Arkansas have no application to a sale of merchandise on credit. However, the Court held contrary. There was a strong dissent by one member of the Court.

It was agreed that there is a need for study of this subject to determine more accurately the actual costs involved in the operation of the credit department, and the question of terminology used. From the standpoint of better public relations greater emphasis might be placed on the concept of "service." Mr. Clagett will pursue this subject further by studying several of the better state laws in this field of regulation.

Commemorative Stamp. Discussion brought out the fact that a reproduction of the painting in the N.R.C.A. building has possibilities as an appropriate design in conjunction with a phrase or slogan such as "Credit is the foundation of commerce." A reproduction of the painting will be forwarded to Mr. Clagett for informal discussion as to merits with Post Office officials.

Miscellaneous. A number of additional topics which have received major attention in previous years were briefly covered and assessed as to any changes or developments and present status. These included the national garnishment bill, H.R. 135 by Congressman Curtis (R-Mo.) on which there have been no significant developments; fees for "whereabouts" information—no change and it is likely to die; extension of credit at army post exchanges—very dormant at this time; and miscellaneous bankruptcy amendments or proposals. ★★★

Credit and Collection Procedure

Controlled Budget Accounts vs. Revolving Charge Accounts

IN DISCUSSING the subject "Controlled Budget Accounts vs. Revolving Charge Accounts" we must determine the difference in the two types of accounts. The controlled budget is an account whereby specific items are purchased, usually appliances or house furnishings. These purchases amount to a sizable sum, more than the average consumer can pay for in cash or 30 days. A contract or conditional sale is prepared by the seller. Mr. Consumer may make monthly payments timed to suit his budget until the balance is liquidated.

A payment book is furnished the purchaser showing date and amount of payments. After the contract has been signed, the book mailed, with the exception of follow-up for past-due payments, the budget arrangement is complete.

The Revolving Charge Account is quite different. True, the customer signs an agreement determining the monthly payment and credit limit, however, purchases are not pre-determined. The account is used for general shopping and is active monthly. In every way it is used by the customer in the same manner as a 30-day charge account.

You may say, why then have a Revolving Charge Account? We, in the business, know we have had this type of account for as long as charge accounts existed. They just did not have a name other than "slow pay" or "past due." The need to keep these customers and still realize a profit caused a great deal of thinking in the credit circles, the result being Revolving Charge Accounts. This type of an account allows the customer to pay according to habit, a portion of her balance each month, however, reimbursing us for this privilege by the added service charge each month.

Now may we compare the two. The advantages in a controlled budget are many. The seller in majority of cases retains title to the merchandise until the last payment is made. Repossession clauses in the contract make it legal to take back merchandise upon default of payment. The customer is responsible for insuring items. Should a collection problem arise, attorney fees and court costs are borne by the purchaser.

Collections are easier on a controlled budget because the customer is fully aware of the aforementioned stipulations. On large ticket items that are usually purchased on controlled budget, you have the pride of ownership in the purchaser. Keeping the home well furnished with all modern conveniences has become the accepted pattern of the young America of today. To them you are successful if you can buy a house with the smallest down payment, finance a car for 36 months and pay for the television set for a small token each month.

What are the pitfalls of this plan? The only one of any significance is over extension. You, in the credit profession, have in your power the answer to this problem. It is how well you analyze every individual account and advising the applicant if you feel he or she

is becoming over extended. Be you credit manager of the smallest store or responsible for the accounts of large industry or bank loans, it is you who can control this dilemma. True, we haven't come into our own in recognition of this great responsibility, it is there nevertheless.

Another disadvantage in the controlled budget is the revised contract. Combining balances on an old existing contract with additional purchases is tedious and time consuming. This increases the costs in labor and supplies.

We have the problem of a customer forgetting she has a contract, since most of us do not mail statements. The budget book is misplaced and until such time as a past due notice is received it is conveniently forgotten.

Now let us talk about our Revolving Charge Accounts. Although not new, they have not had the test of time as our controlled budget has. You may say they are still having growing pains and I refer to this figuratively. As yet, Mr. and Mrs. Consumer still shop merrily on their way, forgetting limits, only remembering, "my payment is just \$10.00 a month," and often forgetting to make the payment.

Our revolving accounts do have some advantages. We do not feel so guilty when we add the service charge knowing the customer has agreed to this arrangement. This additional income helps us defray the costs of a drawn out pay plan as well as a portion of our own operations.

Many customers are now using the Revolving Charge Accounts for seasonal shopping and finding them very convenient, especially those with growing children. It is not necessary for them to be constantly visiting the credit department to have balances transferred. Housewives find it much easier to buy those new curtains and refurbish the linen closet under this plan.

Even though there is disagreement by some, my experience with revolving accounts has proven them more active than the 30-day account. When the balance on a 30-day account is paid there is no particular urge to charge again unless there is something the customer especially wants to buy.

We do have disadvantages in this plan. Most of us have a Charge-plate plan with floor release limits, therefore actually we have no control of the limits on our Revolving Accounts. Since the revolving account is the preference of lower income groups, the risk is greater, resulting in larger losses than would have been realized on the 30-day account.

Educating the customer and trying to impress them they should each be their own credit manager has not proven too successful. Our successful salesmanship has far surpassed our credit education. To date the job is still facing us. It is easy to see why the "All Purpose Charge Account" is becoming the dream of every Credit Executive.—Georgia W. Marvin, John G. Myers Company, Albany, New York.



When Should We Solicit Inactive Charge Accounts?

DURING THE PAST it has been our policy to solicit inactive accounts once every six months without giving too much thought about tying the project in with some storewide sales promotion.

About the middle of November we decided to put on a solicitation program of inactive accounts tying in with our Christmas advertising program. We found out later we should have started it November 1, and by so doing, our results would have been more profitable.

Our letter was as follows:

Dear Customer:

Your charge account never takes a vacation.

Always at your service, your charge account will facilitate your telephone and mail order shopping when a personal visit to the store is impossible.

Even though you haven't used your account in some little time, it is still ready to respond instantly to your command, "Charge it, please." It will be good to have you on our active list again.

Cordially yours,

Around 7,500 letters were mailed. A test check for results was made. Of 982 accounts, 210 customers or 21.4 per cent of letters mailed made purchases. The average purchases per account figured \$21.35. By applying these percentages to the 7,500 letters mailed we came up with a potential increase in business of \$34,266.75.

I am aware of the fact 21.4 per cent ordinarily would not be considered unusually high, however, when you consider that well over 50 per cent of the accounts had not made a purchase in two years or longer, and also that many of them were solicited and had never made any purchases, then this figure takes on more significance. It will be our policy in the future to tie such a solicitation program in with some important store wide sales promotion.

There was a second part to this program and it concerns our revolving accounts. Around 7,000 of the most prompt paying accounts were selected to whom letters were mailed, offering them larger limits for Christmas shopping.

This letter was as follows:

Dear Customer:

Because of the excellent manner in which you have maintained your account, we are happy to offer to you, as one of our preferred continuous charge account customers, an increased limit to \$240, payable \$20 monthly. With this increase, your account will be open for \$60 of additional purchases.

We hope that you will find this increase in purchasing power beneficial during the next few months, in buying your new fall wardrobe, new accessories, and, of course, gifts for the coming Christmas holidays. All of our stores, Birmingham, Montgomery and Bessemer, are filled with new and exciting merchandise from all over the world, gifts and apparel to please everyone on your shopping list, and priced to please you, the shopper.

To avail yourself of this offer, just sign your name on the line provided below, and return this letter to us in the enclosed self addressed envelope. No stamp is necessary.

Cordially yours,

Of the total letters mailed we received replies from 1,326. Total limits of these 1,326 accounts before mailing the letter was \$140,296. The total amount of suggested increases for the same group was \$92,070 or a total purchasing potential of \$232,366.

The outstanding balances of these accounts as of January, 1958, billing dates totaled \$171,875.98 which would indicate an increase in purchases for the 1,326 accounts between the date letters were mailed and January billing date of \$79,805.98. We consider both projects very profitable.—B. C. DeLoach, Credit Manager, Loveman, Joseph & Loeb, Birmingham, Alabama.

Hospital Credit Card A New Innovation

Mary Ann Learned, Credit Manager for the Missouri Baptist Hospital, St. Louis, Missouri, has introduced a novel yet practical plan for patients enjoying good credit reputations.

The procedure is quite simple. A person interested in this plan may call at the Credit Office and furnish them with the necessary credit information to enable the hospital to obtain a credit report. Upon approval of the credit, the hospital issues a credit card. When the patient is admitted into the hospital, the credit card is presented at the admitting office and a proper notation is made on the admitting record.

This enables a patient to enter the hospital without the necessity of making an advance payment and without the necessity of having weekly bills sent to their room. The entire hospital bill is mailed following the date of discharge.

If, at any time, a person abuses the privilege, through failure to remit payment upon receipt of their bill, the hospital reserves the right to revoke the credit card.

Courtesy credit cards are automatically issued to all members of the Hospital Board of Directors, Missouri Baptist Ministers and Staff Doctors.

Membership Standing


New National Units which have been organized since June 1, 1957:

City	Date	Number
Sedro Woolley, Washington	June 27, 1957	23
Jacksonville, Arkansas	Sept. 24, 1957	31
Quincy, Massachusetts	Sept. 30, 1957	21
Batavia, Ohio	Oct. 15, 1957	76
Troy, Montana	Oct. 24, 1957	11
Fort Stockton, Texas	Oct. 31, 1957	55
Pampa, Texas	Oct. 31, 1957	97
McAlester, Oklahoma	Nov. 5, 1957	17
Winter Garden, Florida	Nov. 8, 1957	21
Lake Charles, Louisiana	Nov. 21, 1957	17
Chicago, Illinois	Dec. 3, 1957	101
Cornwall, Ontario, Canada	Dec. 9, 1957	10
Bellaire, Texas	Dec. 10, 1957	74
Joliet, Illinois	Dec. 16, 1957	27
New Kensington, Pennsylvania	Feb. 25, 1958	28
Grand Forks, North Dakota	April 8, 1958	23
Lebanon, Missouri	April 22, 1958	10
Sarnia, Ontario	May 26, 1958	29


Old Associations reporting 10 or more new members since June 1, 1957 to May 31, 1958:

District	Members
1 Montreal, Quebec, Canada	64
Three Rivers, Quebec, Canada	10
Boston, Massachusetts	17
Quincy, Massachusetts	31
Springfield, Massachusetts	49
Providence, Rhode Island	18
2 New York, New York	132
Schenectady, New York	11
3 Clermont, Florida	10
Eustis, Florida	43
Fort Lauderdale, Florida	16
Jacksonville, Florida	69
Miami, Florida	10
Leesburg, Florida	19
Winter Garden, Florida	57
Atlanta, Georgia	75
Waycross, Georgia	12
Charlotte, North Carolina	13
Elkin, North Carolina	17
Columbia, South Carolina	12
4 Birmingham, Alabama	11
Florence, Alabama	14
Tuscaloosa, Alabama	16
Baton Rouge, Louisiana	412
Lake Charles, Louisiana	19
Jackson, Mississippi	10


Johnson City, Tennessee	19
Knoxville, Tennessee	26
Nashville, Tennessee	44
5 Cornwall, Ontario, Canada	16
Kirkland Lake, Ontario, Canada	17
Sarnia, Ontario, Canada	29
Sudbury, Ontario, Canada	23
Windsor, Ontario, Canada	12
Chicago, Illinois	419
East St. Louis, Illinois	17
Joliet, Illinois	42
Batavia, Ohio	84
Cincinnati, Ohio	191
Toledo, Ohio	377
Madison, Wisconsin	19
Milwaukee, Wisconsin	55
Racine, Wisconsin	14
6 Winnipeg, Manitoba, Canada	32
Muscatine, Iowa	10
Minneapolis, Minnesota	23
St. Paul, Minnesota	12
Grand Forks, North Dakota	23
Williston, North Dakota	12
7 Jacksonville, Arkansas	32
Kansas City, Missouri	142
Lebanon, Missouri	10
St. Joseph, Missouri	85
St. Louis, Missouri	58
McAlester, Oklahoma	17
Tulsa, Oklahoma	13
8 Beaumont, Texas	13
Bellaire, Texas	85
Cisco, Texas	30
Corsicana, Texas	53
Dallas, Texas	229
Fort Stockton, Texas	55
Fort Worth, Texas	86
Galveston, Texas	14
Harlingen, Texas	13
Houston, Texas	18
Irving, Texas	19
Lubbock, Texas	43
Midland, Texas	17
Pampa, Texas	97
Port Arthur, Texas	68
Texas City, Texas	10
Waco, Texas	29
Weslaco, Texas	10
9 Denver, Colorado	218
Albuquerque, New Mexico	66
Salt Lake City, Utah	82
Casper, Wyoming	10
10 Edmonton, Alberta, Canada	32
Lethbridge, Alberta, Canada	20
Medicine Hat, Alberta, Canada	14
Stettler, Alberta, Canada	10
Albarni, British Columbia, Canada	11
Chilliwack, British Columbia, Canada	38
Cloverdale, British Columbia, Canada	36
Duncan, British Columbia, Canada	10
Kitimat, British Columbia, Canada	12
Prince George, British Columbia, Canada	33
Vancouver, British Columbia, Canada	164
Victoria, British Columbia, Canada	43
Regina, Saskatchewan, Canada	35
Coeur d'Alene, Idaho	20
Billings, Montana	310
Bozeman, Montana	13
Butte, Montana	15
Glasgow, Montana	13
Great Falls, Montana	13
Helena, Montana	19
Libby, Montana	11
Troy, Montana	12
Albany, Oregon	35
Baker, Oregon	10
Grants Pass, Oregon	10
Hillsboro, Oregon	12
Lebanon, Oregon	47
Portland, Oregon	199
Salem, Oregon	11
Centralia, Washington	34
Ellensburg, Washington	11
Ephrata, Washington	23
Everett, Washington	88
Moses Lake, Washington	73
Mount Vernon, Washington	49



1 inch
"Reverse"
\$1.00



3/4 inch
"Reverse"
75¢



3/4 inch
"Open"
75¢

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375 Jackson Ave. St. Louis 5, Missouri

Othello, Washington	16
Raymond, Washington	11
Seattle, Washington	152
Sedro Woolley, Washington	29
Spokane, Washington	115
Tacoma, Washington	92
Walla Walla, Washington	19
Yakima, Washington	40
11 Phoenix, Arizona	471
Honolulu, Hawaii	15
Fresno, California	87
Los Angeles, California	128
Marysville, California	41
Merced, California	26
Redding, California	35
Sacramento, California	36
San Bernardino, California	12
San Francisco, California	123
12 Washington, D. C.	135
Baltimore, Maryland	84
Silver Spring, Maryland	12
Philadelphia, Pennsylvania	363
Pittsburgh, Pennsylvania	149
New Kensington, Pennsylvania	59
Norfolk, Virginia	33

New members reported by Districts from June 1, 1957 to May 31, 1958:

District	Members
1	231
2	185
3	457
4	642
5	1,428
6	160
7	391
8	958
9	396
10	2,097
11	1,047
12	904
Total	8,896

Public Relations School in Vancouver

The Retail Credit Granters' Association, Vancouver, British Columbia, Canada, sponsored a public relations school recently. The school was held in the auditorium of the British American Oil Company with an enrollment of 126. The school instructor was S. H. Womack and he did a terrific job in conducting the course. The students were very enthusiastic over the lectures which ran for four nights. Some of the topics covered were: 1. What public relations means to everyone; 2. How to get along with people; 3. Memory; 4. Use of the telephone; 5. Speech; and 6. Human relations. The association highly recommends Mr. Womack to any association who wish to sponsor a public relations course. For further information write the National Retail Credit Association, 375 Jackson Avenue, St. Louis 5, Missouri.

Vancouver Wins Again

The Vancouver Retail Credit Granters' Association brought home the attendance cup from the annual conference of District Ten held in Portland, Oregon, May 18-20, 1958. This is two years in a row that Vancouver has won this trophy. The contest is based on a combination of the number of delegates and the miles travelled to the conference. The association is really proud of the many delegates who journeyed to Portland to participate in the 37th Annual Retail Credit Conference and very proud indeed that the cup was again in Vancouver.

Ottawa Sponsors Course

The Credit Granters' Association of Ottawa scored a "First in Canada" by having Mr. Womack come to their city and conduct his course on human relations. The course was received as enthusiastically as the credit fundamentals course conducted by Sterling S. Speake.

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SKIP TRACING

Procedure for the individual skip tracer.
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 Fourteen different ways to locate a skip without a registered letter.
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HOW TO LOCATE SKIPS AND COLLECT

by

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Authority on Credits, Collections and Skip Tracing
 The Only Book of Its Kind Ever Published

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Collecting Old Accounts
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REPEAT ORDERS from Collection Agencies and Chain Organizations PROVE Its Value!

These firms ordered copies for each of their offices or for each of their executives.

SECURITIES CREDIT CORP. of Denver, Colorado, ordered 14 copies.
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MILLER MANAGEMENT CO. of Nashville, Tenn., ordered 160 copies.
 Recently they ordered an additional 84 copies. They write: "Many thousands of dollars' worth of skip accounts have been located through the direct result of your book."

You, Too, Can Profit by This Book! Order Today!

CLIP AND MAIL THIS COUPON TODAY!

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Name

Firm Name

Address

City Zone State



You Assume A Responsibility!

THE SUCCESS of the National Retail Credit Association depends upon your wholehearted cooperation and the manner in which committee members function in the performance of their responsibilities.

In accepting a committee assignment the members should realize that to be successful, work is involved. Enthusiasm and a desire to serve are two important requisites. The National Office staff is ready at all times to cooperate with you in your endeavor. You are urged to contact them and report progress. Should you need assistance, let us know in what way we can be of help.

Immediately upon assuming office the newly elected president will want to complete the personnel of the following committees:

1. Credit Bureau Relations
2. CREDIT WORLD
3. Educational
 - a. Credit Granter Education
 - b. National Retail Credit Week—Consumer Education
4. Finance
5. Legislative
6. Membership
7. Research

Each committee member will be furnished an outline of duties of his committee. Members who receive an invitation to serve and are in a position to devote the required time to committee work should send in their acceptances promptly.

A handwritten signature in cursive script, reading "L. Shouder".

General Manager-Treasurer
NATIONAL RETAIL CREDIT ASSOCIATION

APPLICATION FOR CREDIT
FOR EXCLUSIVE USE OF MEMBERS OF

NATIONAL RETAIL CREDIT ASSOCIATION

INCORPORATED IN MISSOURI 1917

LAST NAME		FIRST NAME	INITIALS	AGE	HUSBAND'S FIRST NAME/WIFE'S MAIDEN NAME	
RESIDENCE ADDRESS				TELEPHONE		
OCCUPATION				TELEPHONE		
NAME OF EMPLOYER				BUSINESS ADDRESS		
FORMER BUSINESS OR OCCUPATION				AMOUNT OF MORTGAGE		
LOCATION OF REAL ESTATE OWNED				NUMBER OF CHILDREN		
RENT HOME <input type="checkbox"/> RENT APARTMENT <input type="checkbox"/> BOARD <input type="checkbox"/>				AT HOME EMPLOYED		
NAME OF NEAREST RELATIVE AND RELATIONSHIP (OTHER THAN HUSBAND OR WIFE)						
PERSONAL REFERENCE						
NAME OF BANK		CHECKING <input type="checkbox"/> SAVINGS <input type="checkbox"/>		BRANCH		
LIFE INSURANCE		NAME OF INSURANCE CO.		APPROX. INCOME		
TRADE REFERENCES						
TYPE OF BUSINESS		KIND OF MORTGAGE		ACCOUNT IS NOW		
				OPEN PAID IN FULL		
LIST ON REVERSE SIDE OF THIS APPLICATION ANY UNPAID BALANCES ON INSTALLMENT ACCOUNTS AND MONTHLY PAYMENTS THEREON.						
THE ABOVE INFORMATION IS FOR THE PURPOSE OF OBTAINING CREDIT AND IS WARRANTED TO BE TRUE. I AGREE TO PAY ALL BILLS UPON RECEIPT OF STATEMENT OR AS OTHERWISE EXPRESSLY AGREED.						
DATE				SIGNATURE		
CREDIT LIMIT		APPROVED				
\$						

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FORM NO. 1

Four Good Reasons—

—Mr. Manager of Credit Sales, why you should be using this
new revised Application for Credit:

- | | |
|---|--|
| <p>1 ➔ Designed for you by outstanding authorities who are N.R.C.A. members.</p> <p>2 ➔ Gives you the important information to properly evaluate the account.</p> | <p>3 ➔ Helps your Credit Bureau prepare report by providing all necessary information.</p> <p>4 ➔ Your customer will appreciate the ease and speed of the interview.</p> |
|---|--|

Size 6" x 9", 100 to the pad.
100—\$1.25, 500—\$5.00, 1,000—\$8.50
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NATIONAL RETAIL CREDIT ASSOCIATION
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A brief, practical guide to better credit letters, by the author of 12 other widely used books on letter writing. Contains complete model letter examples. *Section 1* (15 chapters) analyzes common credit letter faults and shows how to eliminate them. Examples of faulty writing are accompanied by revisions that illustrate effective methods of building business and good will by mail. *Section 2* (10 chapters) outlines and illustrates the fundamentals of each basic type of credit department message—account-solicitation letters, collection letters, adjustment letters, inactive-account letters, “thank-you” notes, letters of welcome to new-comers, “service” letters, letters granting and declining requests for credit. *Section 3* illustrates attractive letter layout and reviews expressions commonly misused in credit department letters. Order TODAY.

128 Pages

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Professor of Economics, University of Southern California

In presenting to you this new book by Dr. Clyde Wm. Phelps, it is with the thought that it will be read by everyone interested in this important subject. Dr. Phelps is also the author of our text and reference book, **RETAIL CREDIT FUNDAMENTALS**, which was revised recently. This handbook written expressly for credit personnel in the larger credit departments, and for the many retailers who, burdened with other duties involved in merchandising the store, are also responsible for credit operations. Because of the press of other duties, this important function is often neglected, with resultant slow accounts and eventual bad debts. The book is dedicated, therefore, to the small merchant and the credit novice, in the belief that it will develop credit sales and result in a more efficient and profitable operation. This handbook should be on the desk of each member of the Credit Office Staff. Order a supply TODAY.

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